

# GlobalPropertyGuide

| Your Guide to the World's Housing Markets

## GLOBAL RESIDENTIAL MARKETS REPORT 14 MARCH 2022

*The global house boom is still strengthening. But global monetary inflation is also rising, and makes the world's house price boom look even stronger than it really is.*



**During 2021 house prices rose in 49 countries, and declined in only 7 of the 56 world's housing markets which have published housing statistics. Particularly in the U.S., Pacific and some parts of Europe, house prices have continued to rise strongly.**

Despite this, the strength of the global house price boom is slightly deceptive. Those figures do not take account of inflation. House prices after inflation, i.e. taking account the now-rapidly falling value of money in many countries, rose in just 38 out of those 56 markets. So some of the apparent house price rise is accounted for by monetary inflation, not by pure house price inflation.

So in 29 of the 56 world's housing markets upward momentum after inflation is stronger than the previous year, while 27 housing markets have shown 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 year (or fallen less), taking inflation into account). This really is a strengthening house price boom. But because of the way inflation works, the boom will deceive people that it is stronger than it actually is.

In its January 2022 World Economic Outlook Update, the International Monetary Fund (IMF) projected global economic growth to moderate from 5.9% in 2021 to 4.4% this year, with mobility restrictions in some countries as the new Omicron Covid-19 variant spreads.

**The strongest housing markets in our global house price survey during 2021 included:** Australia (+17.57%), Turkey (+17.27%), Slovak Republic (+15.71%), New Zealand (+14.66%) and Jersey (+14.06%), using inflation-adjusted figures.

**The biggest y-o-y house price decline was in** Morocco (-10.54%), Makati CBD, Philippines (-9.81%), Colombo, Sri Lanka (-9.60%), Peru (-8.86%), and Italy (-6.62%), again using inflation-adjusted figures.

All country names which follow are clickable, and lead to house price graphs and detailed figures for the countries mentioned, showing nominal and inflation-adjusted figures.



## HOUSE PRICE CHANGE (INFLATION-ADJUSTED)

COUNTRY	year on year (%)		q-o-q(%)
	Q4 2020	Q4 2021	
Australia (8 capital cities)	3.87	17.57	3.07
Turkey	13.78	17.27	3.24
Slovak Republic	14.28	15.71	4.80
New Zealand	16.77	14.66	12.22
Jersey	5.18	14.06	3.31
Netherlands	7.33	13.83	-0.39
Sweden	9.91	12.28	-1.04
Taiwan	6.44	11.96	5.84
Pakistan	1.60	11.65	1.91
US (Case-Shiller)	8.92	11.01	1.88
Lithuania	3.81	10.70	0.61
Japan (Tokyo)	6.08	10.65	3.28
South Korea	7.82	10.41	1.55
Iceland	4.05	10.22	1.85
Canada	8.57	10.17	0.46
US (FHFA)	9.77	10.17	1.78
Montenegro	-10.45	10.14	-4.01
North Macedonia	-0.07	9.65	5.22
Portugal	5.72	8.93	1.99
Romania	0.39	8.91	3.53
Ireland	3.24	8.44	1.89
Vietnam (HCMC)	-14.52	8.42	1.85
UAE (Dubai)	-2.93	8.10	0.88
Germany	8.80	7.04	2.02
Austria (Vienna)	8.13	6.99	0.53
China (Beijing)	6.01	6.74	-0.69
Singapore	2.16	6.40	3.23
UK (Nationwide)	5.56	5.50	0.37
Denmark	5.37	5.39	-0.78
Israel	6.24	5.18	1.96
France	6.32	4.27	0.96
Latvia (Riga)	-0.97	3.57	-0.89
Norway	5.75	3.31	-3.05
Mexico	1.79	1.46	-0.80
Hong Kong	1.09	0.89	-4.30
Estonia	10.37	0.57	7.30
Finland	3.62	0.47	-1.39
Saudi Arabia	-4.63	0.41	0.38
Thailand	4.21	0.23	0.58
Switzerland	1.09	-0.11	-0.25
Indonesia	-0.04	-0.28	-0.25
Macau	1.25	-1.55	-0.88
Poland (Warsaw)	5.84	-1.85	0.58
Egypt	-14.38	-2.21	-3.41
South Africa	0.99	-2.26	-0.47
Ukraine (Kiev)	3.35	-3.00	-0.96
Spain	1.45	-3.51	-2.41
Puerto Rico	11.02	-3.55	-9.37
Qatar	-4.89	-4.12	-7.60
Brazil (Sao Paulo)	-0.70	-5.39	-2.00
Malta	4.80	-5.55	-7.42
Colombia (Bogota)	-0.64	-5.90	-0.42
Italy	2.43	-6.62	-1.88
Peru	1.87	-8.86	-3.16
Sri Lanka (Colombo)	-7.29	-9.60	-14.74
Philippines (Makati CBD)	-16.11	-9.81	-1.09
Morocco	1.08	-10.54	-0.45

▲ - more than 1 percentage point increase in house price change  
 ▼ - more than 1 percentage point decrease in house price change  
 ▲ - less than 1 percentage point increase in house price change  
 ▼ - less than 1 percentage point decrease in house price change compared to same period of last year

Inflation-adjusted figures are used throughout this survey. In the case of Kiev, Ukraine, the Global Property Guide adjusts using the official U.S. inflation rate since Ukrainian secondary market dwelling sales are denominated in U.S. dollars. In the case of Kiev, readers do not need to be told that 2021 figures no longer have much relevance.

## The strongest performing markets:

**Australia** is now the strongest housing market in our global house price survey, amidst surging demand coupled with low inventory levels. House prices in the country's eight major cities rose by a record 17.57% during 2021, a sharp acceleration from the previous year's 3.87% rise. Quarter-on-quarter, prices increased 3.07%.

All figures that follow are inflation-adjusted.

**Turkey's** housing market is strengthening, with the nationwide house price index soaring by 17.27% during 2021, higher than the previous year's 13.78% y-o-y increase and its best showing in recent history. On a quarterly basis, real house prices rose by 3.24% during the latest quarter.

The **Slovak Republic** remains vibrant, with house prices rising by a huge 15.71% during 2021, an improvement from the previous year's 14.28% growth and its biggest annual increase since 2007. On a quarterly basis, real house prices increased 4.8% in Q4.

## HOUSE PRICE CHANGE (NOMINAL)

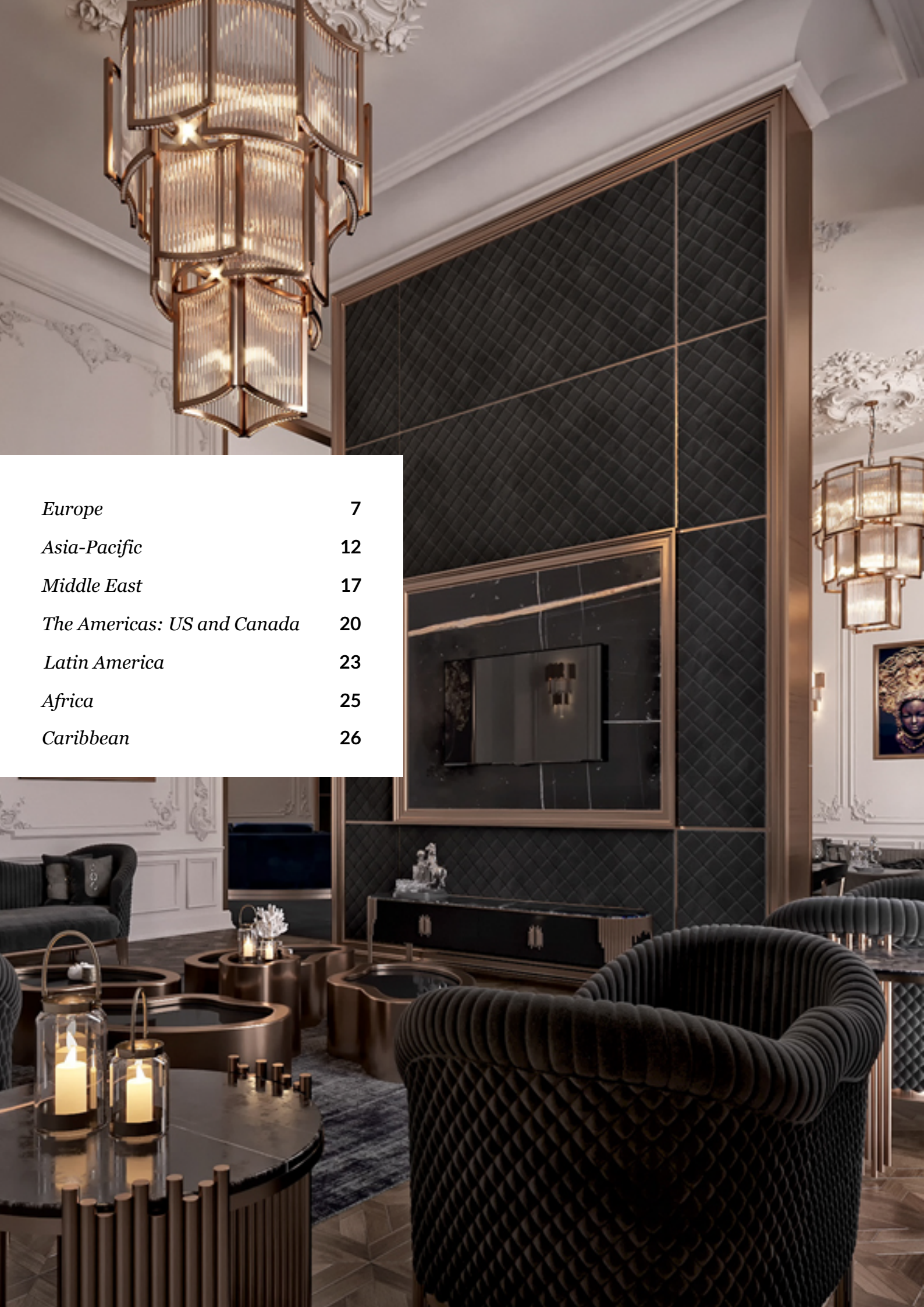
COUNTRY	year on year (%)		q-o-q(%)
	Q4 2020	Q4 2021	
Turkey	30.39	▲	59.59
Pakistan	9.73	▲	25.38
Lithuania	4.06	▲	22.39
Slovak Republic	16.03	▲	22.07
Australia (8 capital cities)	4.76	▲	21.73
New Zealand	18.44	▲	21.48
Netherlands	8.38	▲	20.33
US (Case-Shiller)	10.40	▲	18.82
Jersey	6.12	▲	18.40
US (FHFA)	11.14	▲	17.54
Romania	2.24	▲	16.19
Sweden	10.26	▲	16.00
Iceland	7.77	▲	15.85
Canada	9.36	▲	15.47
Montenegro	-11.28	▲	15.29
Taiwan	6.50	▲	14.89
Ireland	2.24	▲	14.43
South Korea	8.38	▲	13.17
Germany	8.53	▲	12.42
Latvia (Riga)	-1.47	▲	11.77
Japan (Tokyo)	4.81	▲	11.54
Portugal	5.54	▲	11.53
Austria (Vienna)	9.43	▲	11.34
North Macedonia	1.77	▲	11.21
Singapore	2.21	▼	10.57
Vietnam (HCMC)	-14.33	▲	10.38
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Mexico	5.38	▲	8.56
China (Beijing)	6.29	▲	8.28
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France	6.40	▲	7.10
Poland (Warsaw)	8.75	▼	5.78
Brazil (Sao Paulo)	3.79	▲	4.13
Finland	3.83	▲	3.93
Egypt	-9.64	▲	3.58
South Africa	4.10	▲	3.50
Ukraine (Kiev)	4.64	▼	3.49
Hong Kong	0.18	▲	3.32
Spain	0.91	▲	2.81
Thailand	3.92	▼	2.40
Qatar	-8.10	▲	2.08
Saudi Arabia	0.46	▲	1.66
Indonesia	1.43	▲	1.47
Sri Lanka (Colombo)	-3.37	▲	1.34
Switzerland	0.39	▲	1.29
Puerto Rico	10.93	▼	0.44
Macau	0.41	▲	-0.45
Colombia (Bogota)	0.97	▼	-0.61
Italy	2.23	▼	-2.98
Peru	3.88	▼	-3.01
Malta	4.99	▼	-3.12
Philippines (Makati CBD)	-13.15	▲	-6.53
Morocco	0.78	▼	-7.68

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 compared to same period of last year

**New Zealand's** housing market continues to grow strongly, with the median house prices rising by 14.66% during 2021, following y-o-y increases of 16.77% in 2020 and 10.28% in 2019. On a quarterly basis, real house prices rose by 12.22% during the latest quarter.

**Jersey's** housing market showed impressive growth, with the seasonally-adjusted mix-adjusted average dwelling price increasing by 14.06% during 2021, a sharp improvement from the prior year's 5.18% growth. Quarter-on-quarter, prices rose by 3.31% in Q4.





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# THE WORLD'S REGIONS:

## Europe's housing markets remain buoyant

Europe's housing markets remain very strong, despite the economic repercussions of the COVID-19 pandemic. House prices have risen in no less than 21 of the 27 European housing markets for which figures were available during 2021. Three of the five strongest housing markets in our global survey are in Europe.

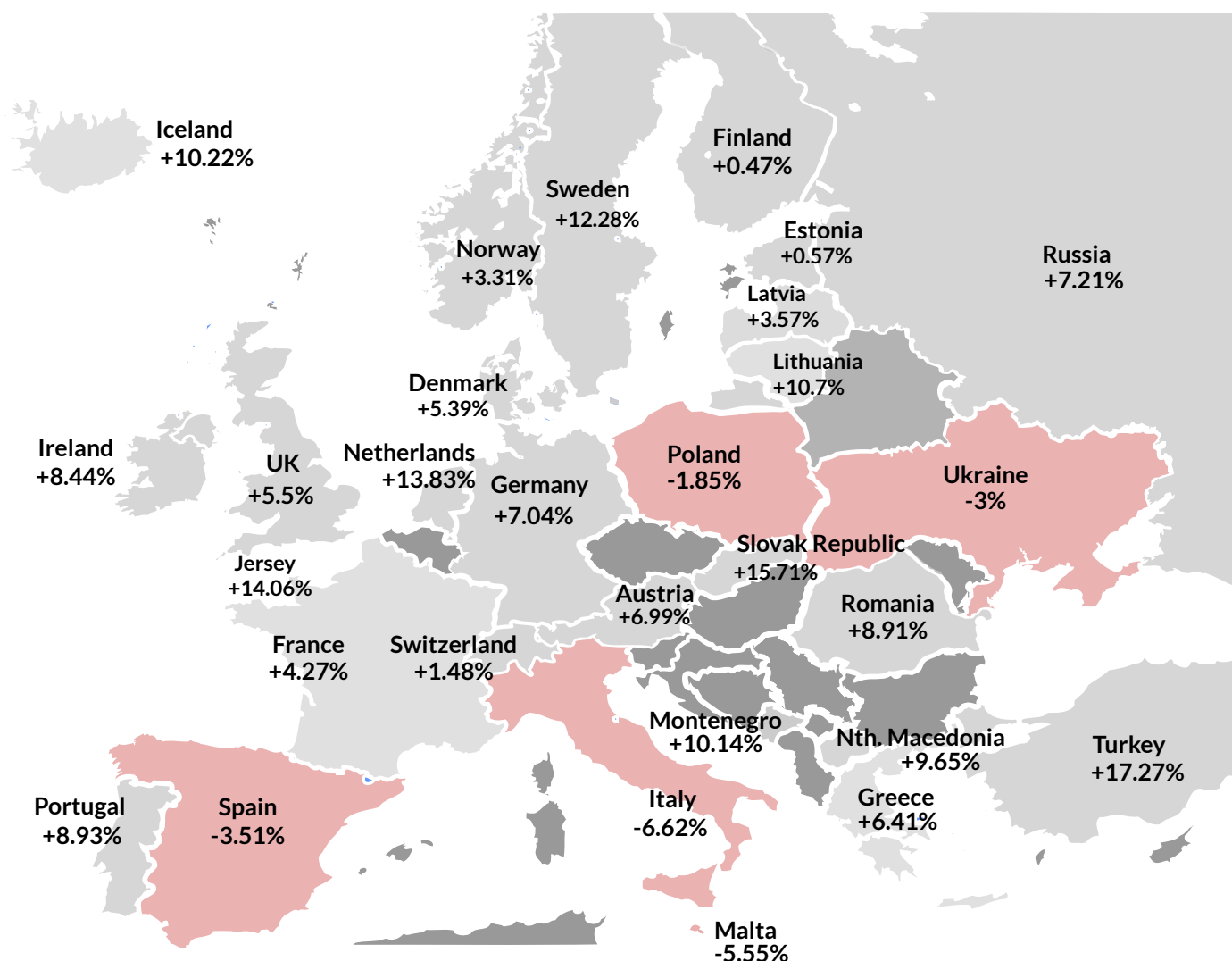


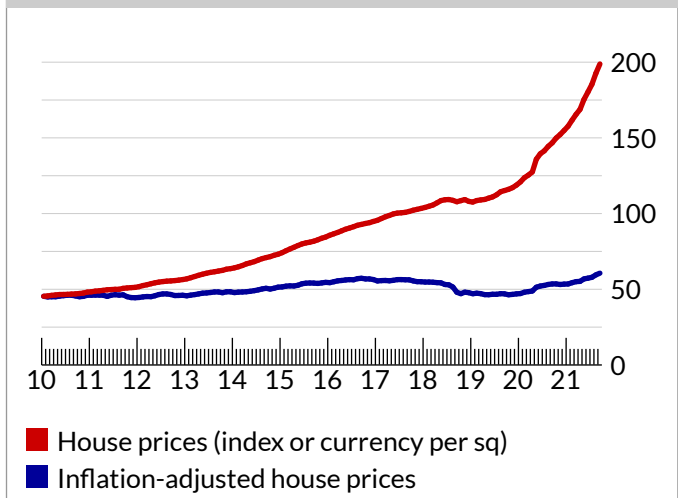
Figure 1. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

**Turkey's** housing market continues to strengthen, buoyed by strong demand from both local and foreign investors. The nationwide house price index surged by 17.27% during 2021, higher than the previous year's 13.78% y-o-y increase and its best showing in recent history. On a quarterly basis, real house prices rose by 3.24% in Q4 2021.

Turkish President Tayyip Erdogan introduced an economic plan that prioritizes growth, investment, employment, and exports buoyed by a series of unorthodox interest rate cuts. The plan sparked a currency crisis, with the lira shedding 44% of its value against the dollar over the year – its worst year 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 grew by a robust 11% in 2021 from a year earlier, its highest growth in a decade. The economy however is projected to slow sharply this year, as inflation surges following the lira's crash, and with the Ukraine crisis set to adversely impact tourism.

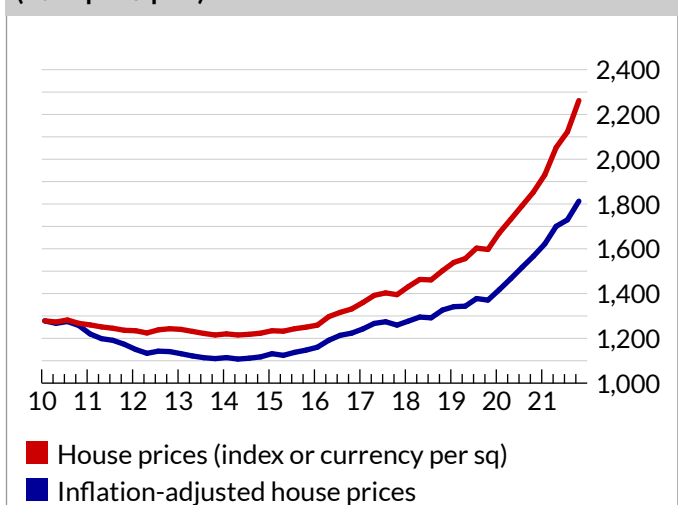
The **Slovak Republic** remains vibrant, with house prices rising by a huge 15.71% during 2021, an improvement from the previous year's 14.28% growth and its biggest annual increase since

House prices in Turkey: house price index (2017=100)



2007. On a quarterly basis, real house prices increased 4.8% in Q4. Despite the pandemic, property demand, both from local and from foreign investors, remains fundamentally strong. The Slovak economy grew by a modest 3% in 2021, following a contraction of 4.4% in 2020. The economy is now projected to expand by 5% this year and by another 5.1% in 2023, according to the European Commission.

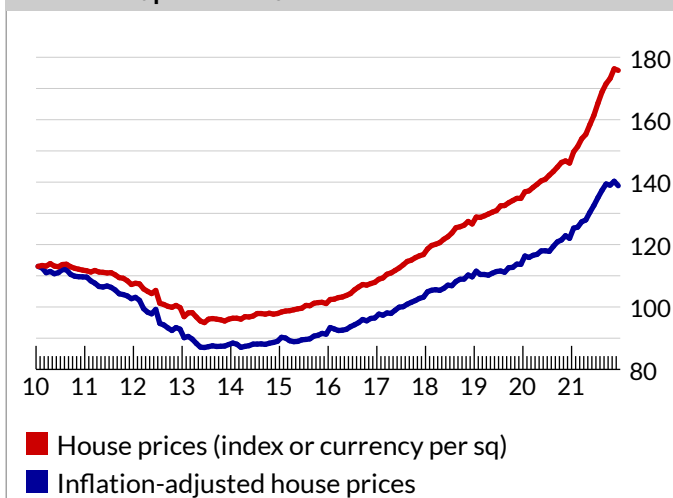
Slovak Republic residential property prices (Euro per sq. m.)



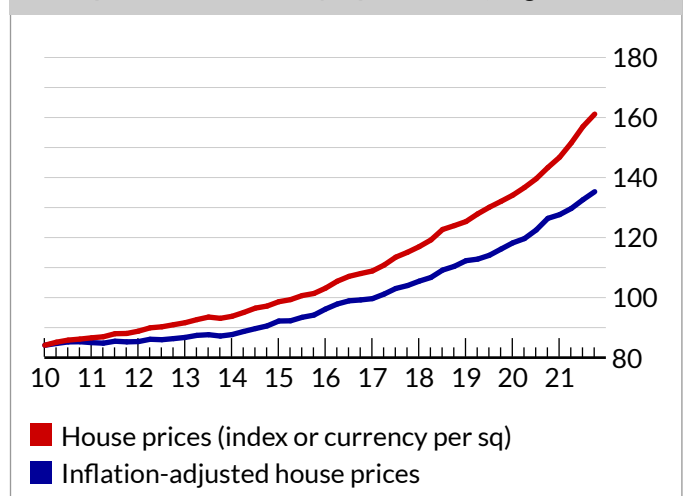


The **Netherlands'** house price boom continues strong, buoyed by record low interest rates, and with supply unable to keep up with strong demand. The average purchase price of all dwellings rose strongly by 13.83% during 2021, almost double the previous year's 7.33% growth. It was the country's best showing since 1999. However on a quarterly basis, house prices fell slightly by 0.39% during the latest quarter, as homes sales slow amidst supply shortages. In 2021, the number of dwellings sold fell by 4% y-o-y at 226,087 units, following 7.7% growth in 2020, according to Statistics Netherlands (CBS). Yet the sales number remains one of the highest sales ever recorded. The Dutch economy is expected to grow by 6% this year, after 5.9% growth in 2021 and a huge 8.2% contraction in 2020.

Average house price in Netherlands, existing owner-occupied homes



House price index Germany: apartments (Aug 2005=100)



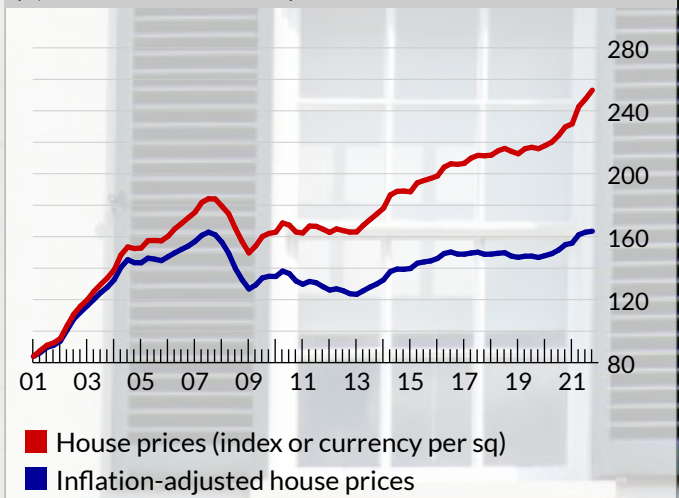
**Germany's** housing market remains healthy, amidst improving economic conditions. The average price of apartments rose by 7.04% during 2021, following y-o-y rises of 8.8% in 2020, 5.22% in 2019 and 6.16% in 2018. On a quarterly basis, house prices increased 2.02% in Q4 2021.

Germany's housing market has been growing continuously in the past seven years, with house prices up by about 72% from Q1 2014. Demand for residential property in Germany remains strong, buoyed by low interest rates, urbanization, and healthy household finances. In recent years, the migration crisis and strong economic growth have added to already robust demand. The German economy is projected to expand by 3.6% this year, following a modest growth of 2.7% in 2021 and a pandemic-induced contraction of 4.6% in 2020.

The **UK's** housing market remains buoyant, with real house prices rising by 5.5% y-o-y in 2021, at par with the previous year's 5.56% growth. Quarter-on-quarter, real house prices increased slightly by 0.37% during the latest quarter. In London, while nominal house prices rose by 4.2% y-o-y in 2021, real prices were actually more or less steady. All other regions saw real house price rises during 2021.

Residential property transactions (seasonally-adjusted) in the UK rose by 2.1% y-o-y to 1,196,160 in 2021, according to HM Revenue & Customs. In England, which accounts for about 85% of all transactions, residential property sales rose by 2.5% to 1,014,070 in 2021 from a year earlier. Property sales in England rose in recent years mainly due to a transaction tax holiday, with zero stamp duty leviable till June 2021 on purchases up to £500,000. The move was aimed at helping buyers whose finances were affected by Covid and to boost a property market hit by lockdown. The UK economy grew strongly by 7.5% during 2021, rebounding from its historic 9.4% plunge in 2020. However due to high inflationary pressures, the government recently slashed its GDP growth forecast this year to 3.75%, instead of the 5% it previously projected.

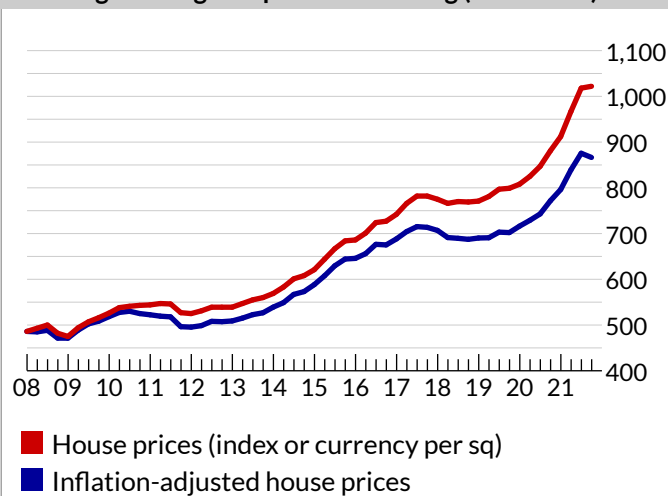
United Kingdom average house price  
(1,000 in British Pounds)



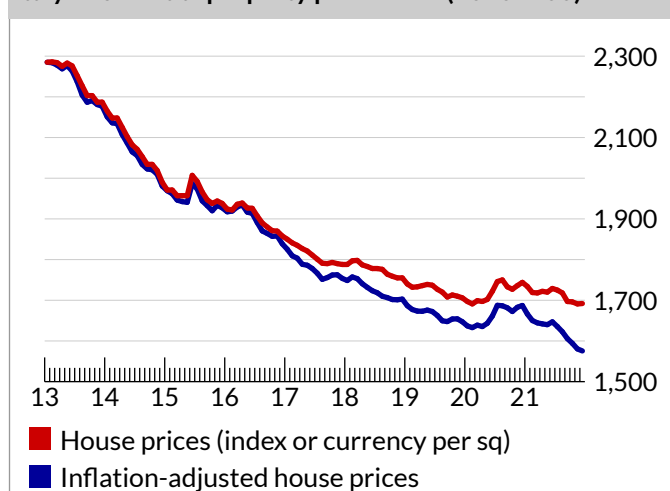
Other European housing markets with impressive growth include **Jersey**, with house prices rising by 14.06% y-o-y in 2021, **Sweden** (12.28%), **Lithuania** (10.7%), **Iceland** (10.22%), **Montenegro** (10.14%), **North Macedonia** (9.65%), **Portugal** (8.93%), **Romania** (8.91%), and **Ireland** (8.44%). All, except Sweden and Montenegro, recorded positive quarterly house price growth during the latest quarter. All had stronger performances in 2021 compared to the previous year.

More moderate house price rises were seen in Vienna, **Austria** (6.99%), **Denmark** (5.39%), **France** (4.27%), Riga, **Latvia** (3.57%), and **Norway** (3.31%). Only Austria and France saw positive quarterly price rises during Q4 2021 while only Denmark and Latvia performed better in 2021 compared to the previous year.

House prices in Sweden: price index for 1 and 2 dwelling buildings for permanent living (1990=100)



Italy: residential property price index (2010=100)



Minimal house price rises were recorded in **Estonia** (0.57%) and **Finland** (0.47%). Both countries had weaker performances in 2021 from a year earlier but Estonia saw strong quarterly growth of 7.3% during the latest quarter.

Interestingly, only six European housing markets for which figures were available during 2021 registered price declines. **Italy** saw the biggest house price fall of 6.62% during 2021, followed by **Malta** (-5.55%), **Spain** (-3.51%), Kiev, **Ukraine** (-3%), and Warsaw, **Poland** (-1.85%). All recorded weaker performances in 2021 compared to a year earlier. All, except Poland, saw quarterly price falls during the latest quarter.



## Pacific housing markets are booming

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

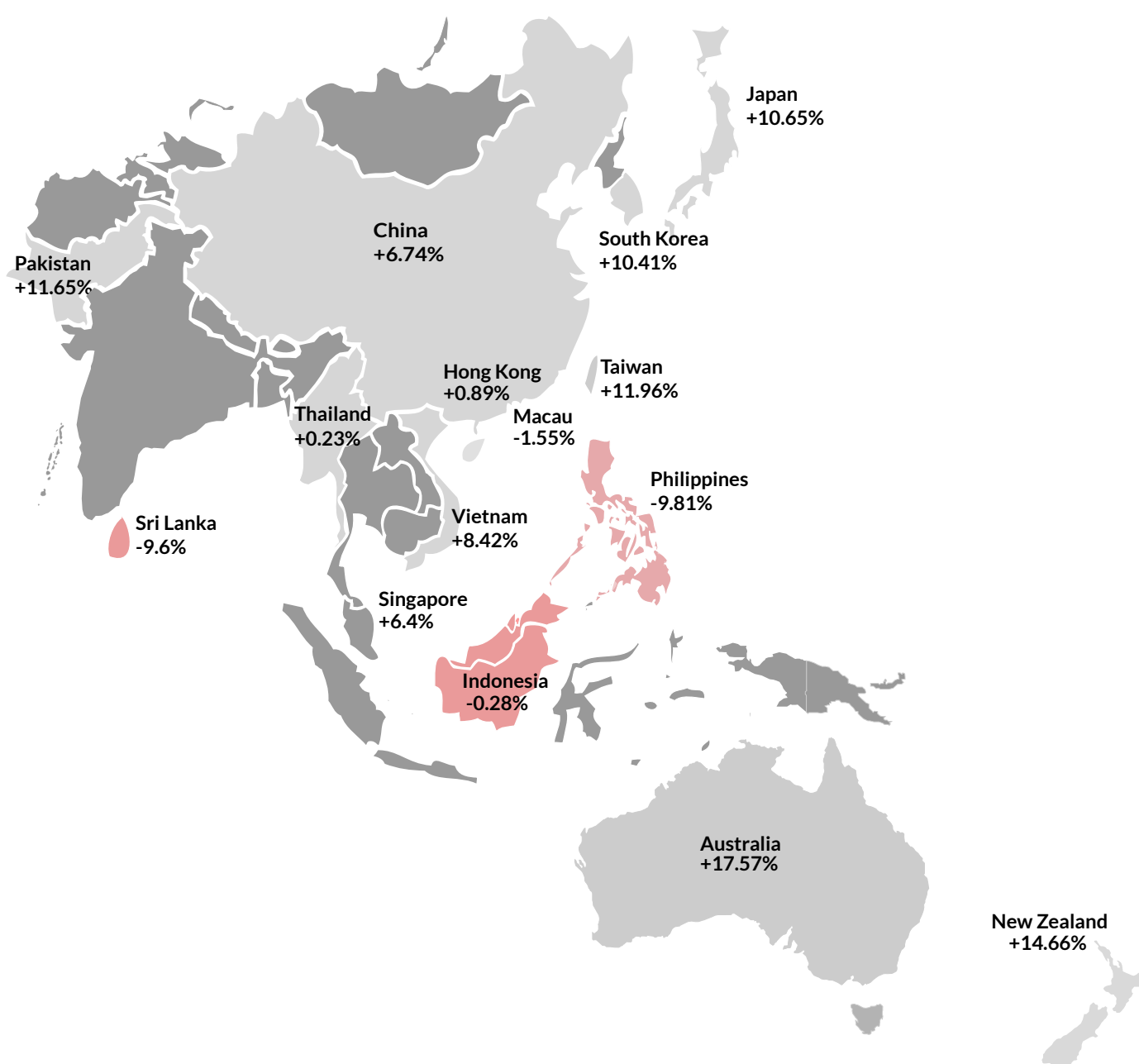
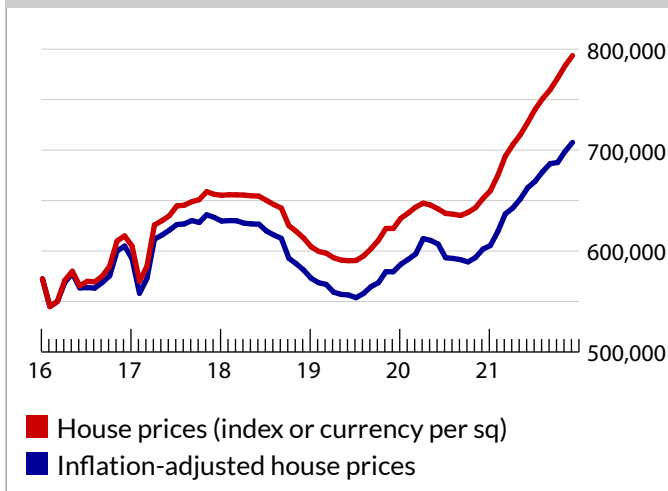


Figure 2. Change in real house prices (%) over 1 year to 4 for countries which have released Q4 figures



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



**Australia's** housing market is heating up, with record-low interest rates fueling demand. House prices in the country's eight major cities rose by a record 17.57% during 2021, a sharp acceleration from the previous year's 3.87% rise. Quarter-on-quarter, prices increased 3.07%. Home sales are surging, despite low inventory levels. During 2021, the number of dwelling sales reached 653,000 units – about 40% above the decade average and the highest annual sales on record, according to CoreLogic. Likewise, dwelling approvals surged by more than 22% to 227,779 units in 2021 compared to a year ago, following an annual increase of 5.6% in 2020, according to Australian Bureau of Statistics. Australia's economy grew by about 5% in 2021, and is expected to grow by another 4.25% this year, according to the Reserve Bank of Australia (RBA).

**New Zealand's** housing market continues to grow strongly, buoyed by ultra-low interest rates, as well as limited housing supply. Median house prices rose by 14.66% (inflation-adjusted) during 2021, after y-o-y increases of 16.77% in 2020 and 10.28% in 2019. Amazingly enough on a quarterly basis, real house prices rose by 12.22% in Q4 2021.

Low sales volumes continue to underpin demand in New Zealand. In January 2022, residential property sales across New Zealand totalled 3,665 units, down 48.2% from the previous month and by 28.6% from a year earlier, according to the Real Estate Institute of New Zealand (REINZ), though the number of properties available for sale increased 28.5% y-o-y as more homeowners chose to list their homes for sale.

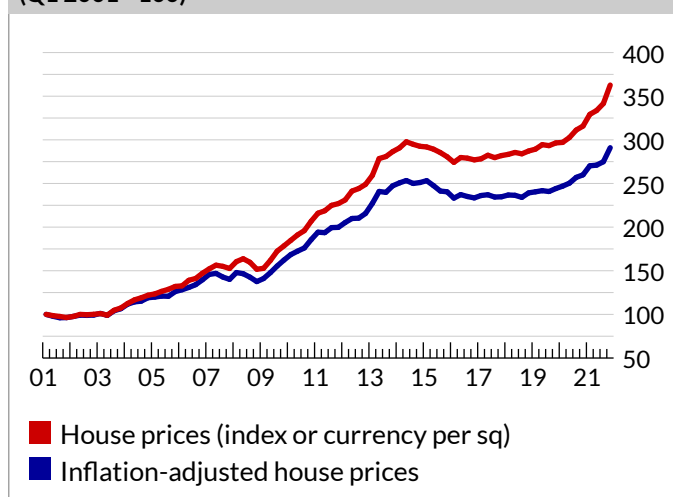
New Zealand's economy is projected to grow by 3.3% this year, after a growth of 5.1% in 2021 and a contraction of 2.1% in 2020.

## Asian housing markets gaining momentum

Eight of the thirteen Asian housing markets included in our global survey showed stronger momentum in 2021 compared to a year earlier. House prices rose in nine countries, with notable increases in Taiwan, Pakistan, Japan, as well as South Korea.

**Taiwan's** housing market showed impressive growth. Nationwide house prices soaring by 11.96% in 2021 from a year earlier, strongly up from the previous year's 6.44% growth and its best showing since 2013. Quarter-on-quarter, house prices increased by a robust 5.84% in Q4.

House prices in Taiwan: Sinyi home price index (Q1 2001= 100)

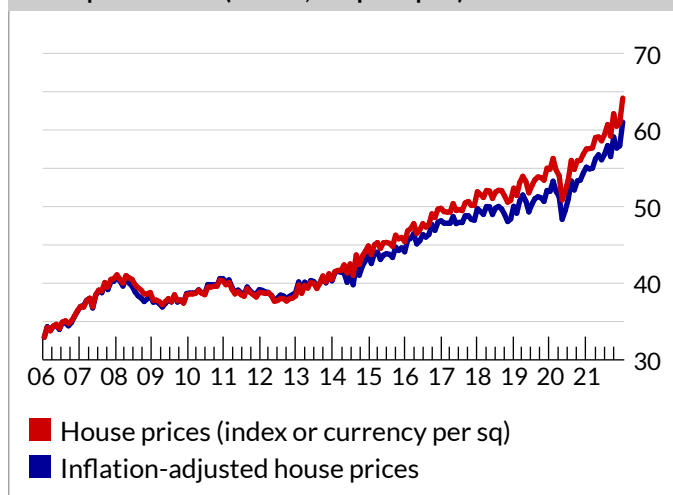


Property sales reached new record highs. In 2021, housing transactions in Taiwan's six major cities rose by 7% to 268,000 units from a year earlier – the highest in seven years. To prevent speculative buying, the government unveiled amendments to the Income Tax Act, which came into force on July 1, 2021. Under the new regulations, a tax of 45% will be paid on gains from the sale of property within two years of purchase and 35% for gains made after two years. In December 2021, the central bank also imposed a fourth round of selective credit controls. Taiwan's economy expanded by 6.28% last year, up from the prior year's 2.985% growth and its fastest pace in more than a decade, mainly driven by strong tech exports. The economy is projected to grow by another 4.42% this year, according to the Directorate General of Budget, Accounting and Statistics (DGBAS).

**Pakistan** continues to strengthen, with the nationwide residential property price index rising by 11.65% during 2021, a sharp improvement from a y-o-y increase of 1.6% in the previous year, amidst growing investor interest and improving economic conditions. Quarter-on-quarter, prices increased 1.91% during the latest quarter. Pakistan's economy is expected to grow by 4% this year, following a growth of 3.9% in 2021 and a slight contraction of 0.5% in 2020.

**Japan's** housing market remains vibrant, with the average price of existing condominiums in Tokyo rising strongly by 10.65% during 2021, a sharp improvement on the previous year's 6.08% y-o-y increase. During the latest quarter, existing condominium prices increased 3.28%. Existing condominium sales in Tokyo rose strongly by 11% y-o-y to 40,000 units in 2021 while sales of existing detached houses were up 5.2% y-o-y to 20,766 units. The Japanese economy expanded by 1.7% in 2021, following a 4.6% contraction in 2020. The IMF expects the world's third biggest economy to grow by 3.3% this year.

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



**South Korea's** housing market growth is accelerating, buoyed by falling interest rates. House prices soared by 10.41% in 2021 from a year earlier, an improvement from the previous year's 7.82% growth and its highest growth in 19 years. On a quarterly basis, house prices increased 1.55% in Q4. In 2021, the government announced a plan to construct 830,000 new housing units nationwide, including 320,000 units in Seoul by 2025, in an effort to address the shrinking supply and control house price rises. South Korea's trade-reliant economy expanded by 4% during 2021, in contrast to a 0.9% contraction in 2020 and its fastest growth in 11 years, driven by strong exports and construction activity. Bank of Korea (BOK) expects the economy to grow further by 3% this year.

Strong house price increases were also recorded in HCMC, **Vietnam**, with house prices rising by 8.42% y-o-y in 2021, Beijing, **China** (6.74%), and **Singapore** (6.4%). All, except China, saw quarterly price growth during the latest quarter. All performed better in 2021 compared to a year earlier.

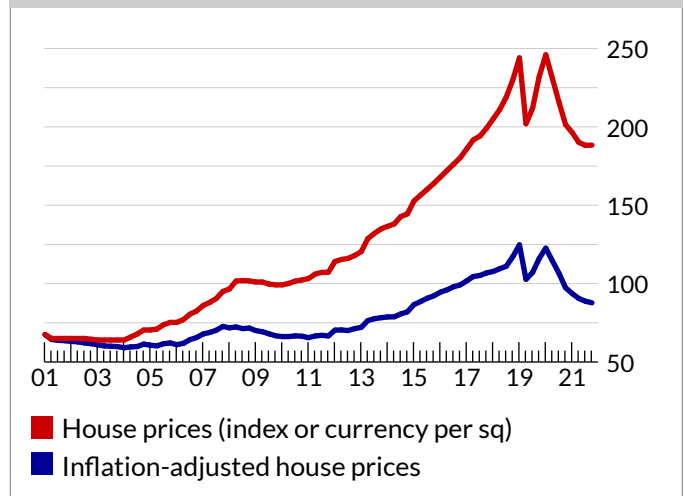
Asian housing markets with minimal house price rises include **Hong Kong** (0.89%) and **Thailand** (0.23%). Both had weaker performances during 2021 as compared to the previous year, but Thailand recorded a quarterly price increase during the latest quarter.

## Asia's weakest housing markets

The **Philippines** is now the second worst performing housing market in our global house price survey, despite gradually improving economic conditions. The average price of 3-bedroom condominium units in Makati CBD plummeted by 9.81% during 2021, following a y-o-y decline of 16.11% in 2020. Quarter-on-quarter, house prices in the CBD fell by 1.09% in Q4 2021.

The Philippines experienced a house price boom from 2010 to 2018, with Makati CBD prices rising by more than 132% (76% inflation-adjusted) due to strong demand and rapid economic growth. But the housing market slowed sharply in 2019, with a slowing domestic economy coupled with the US-China trade war. The pandemic aggravated the situation, causing the economy to shrink by 9.5% in 2020, its biggest contraction since the Philippine Statistics Authority (PSA) started collecting data in 1946. The economy expanded by 5.6% last year and the government targets an ambitious growth of 7% to 9% this year.

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



**Sri Lanka's** housing market continues to struggle, with the average price of high-end condominium unit in Colombo falling by 9.6% y-o-y in 2021, worse than the previous year's 7.29% decline. Quarter-on-quarter, prices dropped by a huge 14.74% in Q4. The economy was estimated to have expanded by 3.6% in 2021 and to grow further by 3.3% this year, based on IMF forecasts.

**Macau** and **Indonesia** also recorded minimal house price falls during 2021 of 1.55% and 0.28%, respectively. Both saw a quarterly price fall during the latest quarter and also had weaker performance during 2021 as compared to a year earlier.



## Middle East's housing markets mixed

The Middle East shows mixed results, with Dubai, UAE and Israel registering robust growth while Saudi Arabia remains more or less steady. In contrast, Morocco, Qatar and Egypt continue to struggle.

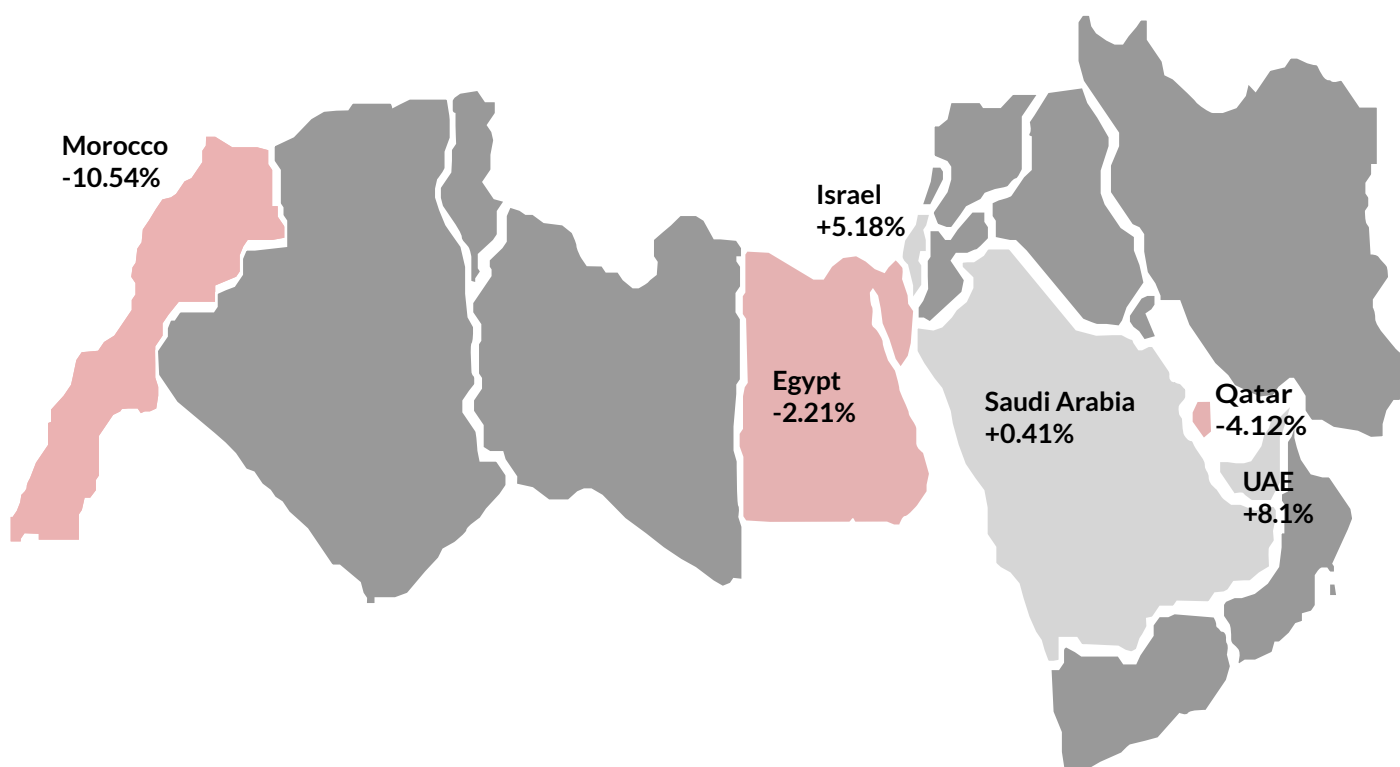
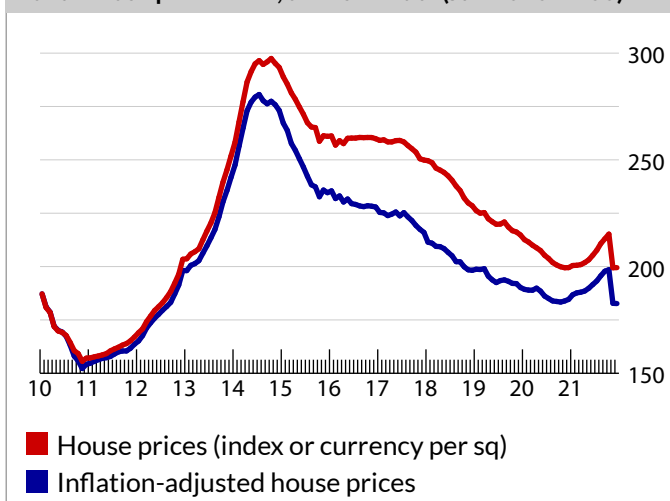


Figure 3. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

The **UAE's** housing market made a surprise comeback, with Dubai's residential property prices rising strongly by 8.1% y-o-y in 2021, in sharp contrast to a y-o-y decline of 2.93% in 2020. It was its best showing since 2014. During the latest quarter, house prices in Dubai increased 0.88% q-o-q. Though the overall economy remains fragile, with GDP growth of 2.1% last year, still not adequate to fully offset the 6.1% contraction in 2020 due to a crude oil price crash caused by the COVID-19 outbreak. The economy is expected to grow by 4.2% this year.

Dubai house price index, all residential (Jan 2010 = 100)

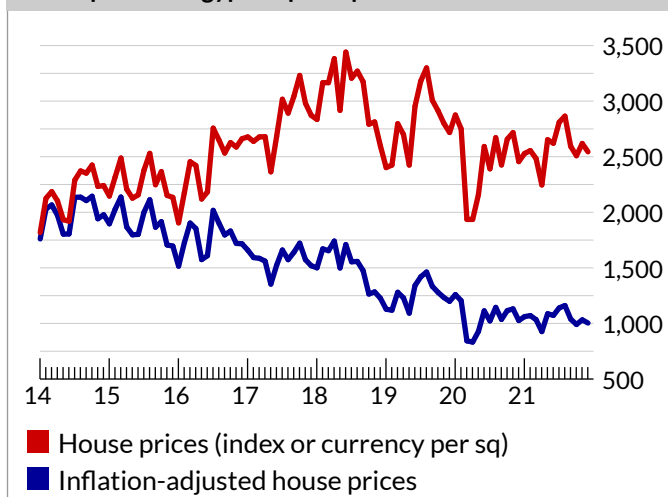


**Israel's** housing market remains healthy, with the nationwide average price of owner-occupied dwellings rising by 5.18% during 2021, following a 6.24% increase in the prior year. On a quarterly basis, Israeli house prices increased 1.96% in Q4. The economy expanded by 7.1% last year, after shrinking by 2.2% in 2020. Economic growth is estimated at 4.1% this year.

**Saudi Arabia's** housing market is more or less steady, with the residential real estate price index rising slightly by 0.41% during 2021, an improvement from the previous year's 4.63% fall. Quarter-on-quarter, prices increased 0.38% in Q4. The economy is projected to grow by 4.8% this year, after a 2.8% growth in 2021 and a 4.1% contraction in 2020, according to the IMF.

**Egypt's** house prices continue to fall, albeit at a much slower pace. The nationwide real estate index dropped 2.21% y-o-y in 2021, a sharp improvement from the prior year's 14.38% fall. Real house prices fell 3.41% q-o-q during the latest quarter. The economy is projected to grow by a healthy 5.6% this year, after expanding by 5.2% in 2021 and 3.3% in 2020.

House prices in Egypt: Aqarmap real estate index

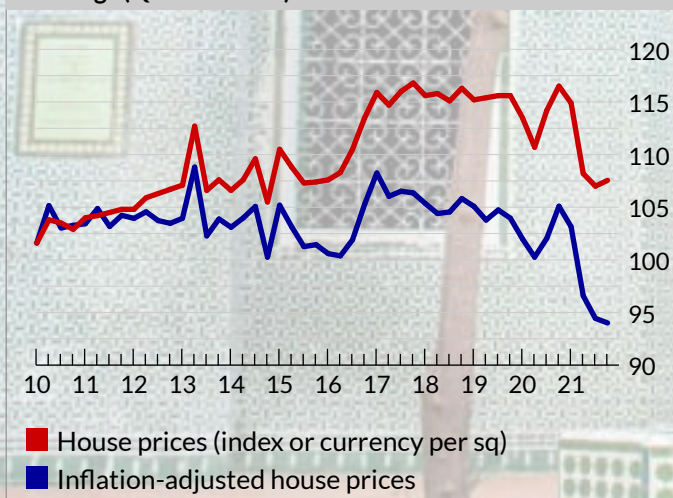




**Qatar's** housing market remains weak, with the real estate price index falling by 4.12% y-o-y in 2021, following an annual decline of 4.89% in 2020. On a quarterly basis, prices plunged 7.6%. Yet the overall economic outlook is now improving after the Saudis agreed in January 2021 to end their sweeping economic and political blockade, begun four years ago. The Qatari economy is expected to grow by 4.6% this year, following a 1.9% growth in 2021 and a 3.6% contraction in 2020.

**Morocco's** housing market continues to struggle, with residential property prices falling by 10.54% during 2021, in sharp contrast to a slight increase of 1.08% in 2020. Quarter-on-quarter, house prices fell slightly by 0.45% in Q4. The Moroccan economy was estimated to have expanded by 5.7% last year, following a 6.3% decline in 2020. Economic growth this year is projected at 3.1%, according to the IMF.

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



## The Americas: U.S. and Canada's housing boom gathering pace

The U.S. housing market remains overwhelmingly strong with double-digit house price rises and Canada's housing market is now heating up, amidst improving economic conditions.



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

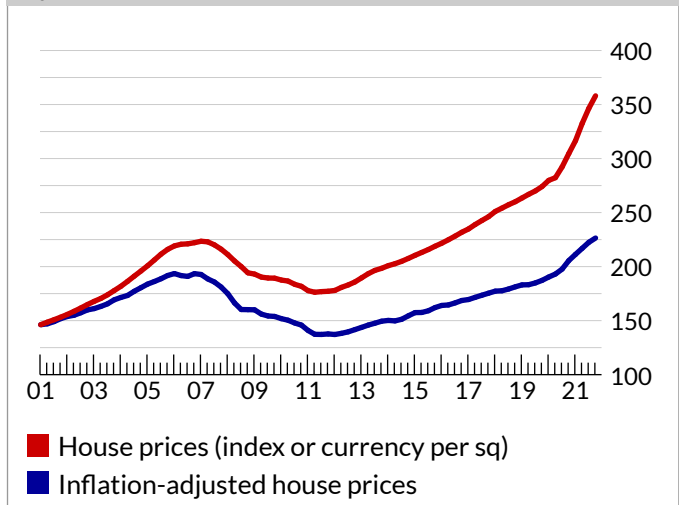


The **U.S.** great housing boom continues unabated, after eight years of strong house price growth. The S&P/Case-Shiller seasonally-adjusted national home price index surged by 11.01% y-o-y in 2021 (inflation-adjusted), up from the previous year's 8.92% growth and the biggest y-o-y increase ever recorded. The Federal Housing Finance Agency's seasonally-adjusted purchase-only U.S. house price index rose by 10.17% y-o-y in 2021 (inflation-adjusted), also the highest annual growth on record.

The S&P/Case-Shiller index rose by 1.88% q-o-q in Q4 2021, while the FHFA index increased 1.78%.

Limited supply is restricting sales activity. Sales of new single-family houses fell by 19.3% y-o-y in January 2022 to a seasonally-adjusted annual rate of 801,000 units. Despite the continued strong interest for home buying, low existing inventories as well as higher prices and building material bottlenecks have constrained some new home sales. There were just 1.6 months of inventory in January 2022, down 0.3 months from a year earlier.

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



U.S. homebuilder sentiment stood at 82 in February 2022, slightly down from 83 in the previous month and 84 a year earlier, as production bottlenecks continued to increase construction costs and delayed projects, 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 by 5.7% during 2021, in contrast to a 3.4% contraction in 2020 and the largest gain since 1984, according to the U.S. Bureau of Economic Analysis (BEA). The U.S. economy is projected to grow by another 4% this year, according to the IMF.

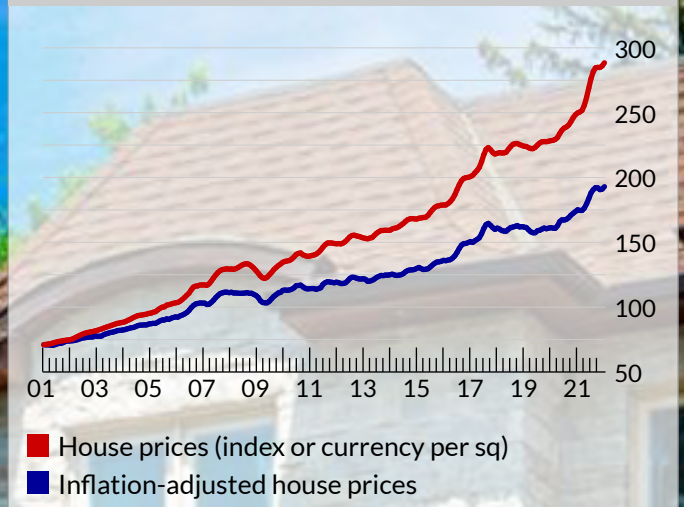


**Canada's** housing market is still growing impressively, with real house prices in the country's eleven major cities rising by a huge 10.17% during 2021, following a y-o-y growth of 8.57% in 2010. In fact it was the second highest annual increase since 2006. Quarter-on-quarter, house prices rose slightly by 0.46% in Q4.

Sales have reached new record highs. In 2021, the actual number of sales transactions totaled 666,995 residential properties, surpassing the annual record of 552,423 sales for all of 2020, according to the Canadian Real Estate Association (CREA). It was up by more than 20% from a year earlier and around 30% above the average of the last 10 years. Housing starts rose by 8.2% y-o-y to 68,958 units in Q4 2021 and completions increased 10.3% to 56,207 units.

Canada's economy expanded by about 5.7% y-o-y in 2021, after contracting by 5.3% in 2020, buoyed by strong consumption and business investment, as well as a rebound in exports amidst the gradual easing of pandemic-related restrictions. The economy is projected to grow by a healthy 4.1% this year.

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



## Latin America continues to struggle



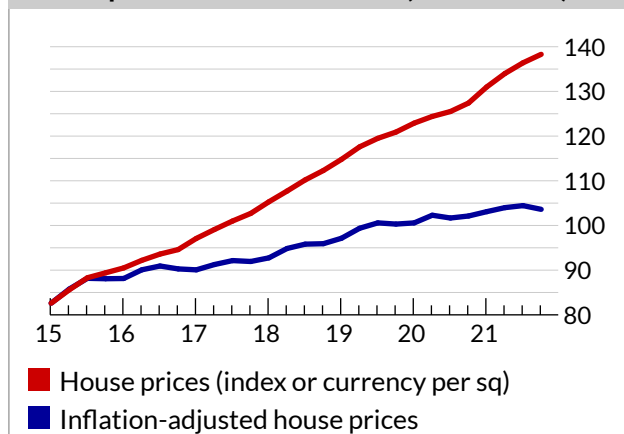
Mexico remains more or less steady while Peru, Colombia, as well as Brazil are still struggling.

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



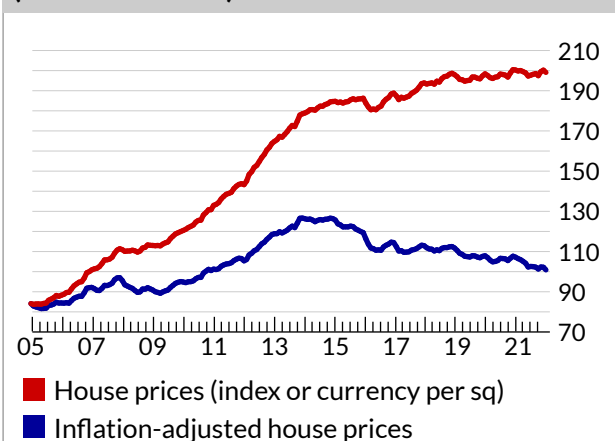
**Mexico's** housing market is stabilizing, with the nationwide house price index rising by 1.46% in 2021 from a year earlier, following y-o-y growth of 1.79% in 2020. On a quarterly basis, house prices fell slightly by 0.8% during the latest quarter. Mexico's economy grew by about 5% in 2021, partially recovering from the huge contraction of 8.5% in 2020, and is now expected to expand by a modest 3.3% this year.

House price index for Mexico (2012 = 100)



The pandemic aggravated **Brazil's** housing market woes, with real house prices in Sao Paulo falling by 5.39% during 2021, following y-o-y declines of 0.7% in 2020, 1.96% in 2019, and 1.89% in 2018. It was the country's seventh consecutive year of falling real house prices. On a quarterly basis, Sao Paulo prices fell by 2% in Q4. The Brazilian economy grew by 4.6% in 2021, in contrast to a 4.1% contraction in 2020. However, the economy is projected to grow by a miniscule 0.3% this year, as consumer and business sentiment turned more pessimistic amidst continued socio-political tension.

New home prices in Bogotá, Colombia (Dec 2006 = 100)



**Colombia's** housing market continues to suffer, after several years of vigorous price rises. In Bogotá, house prices fell by 5.9% during 2021, much worse than the previous year's 0.64% y-o-y decline. During the latest quarter, house prices dropped 0.42% q-o-q. After plunging by 6.8% in 2020, Colombia's economy was estimated to have expanded strongly by 7.6% last year.

**Peru's** housing market is now struggling, with house prices falling by a huge 8.86% during 2021, in sharp contrast to a y-o-y increase of 1.87% in the previous year. Quarter-on-quarter, house prices fell 3.16% during the latest quarter. The economy grew strongly by 13.2% in 2021, following a pandemic-induced contraction of 11% in 2020. The economy is projected to grow modestly by 3.4% this year, according to the country's central bank.



## South Africa's housing market still gloomy

**South Africa's** housing market remains weak, having been depressed for the past five years. The price index for medium-sized apartments fell by 2.26% during 2021, following a miniscule y-o-y increase of 0.99% in 2020. On a quarterly basis, house prices fell slightly by 0.47% during the latest quarter. The SA economy expanded by about 5% last year, after shrinking by 6.4% in 2020 due to the Covid-19 pandemic. Economic growth is projected to slow sharply this year to 1.9%, according to IMF estimates.

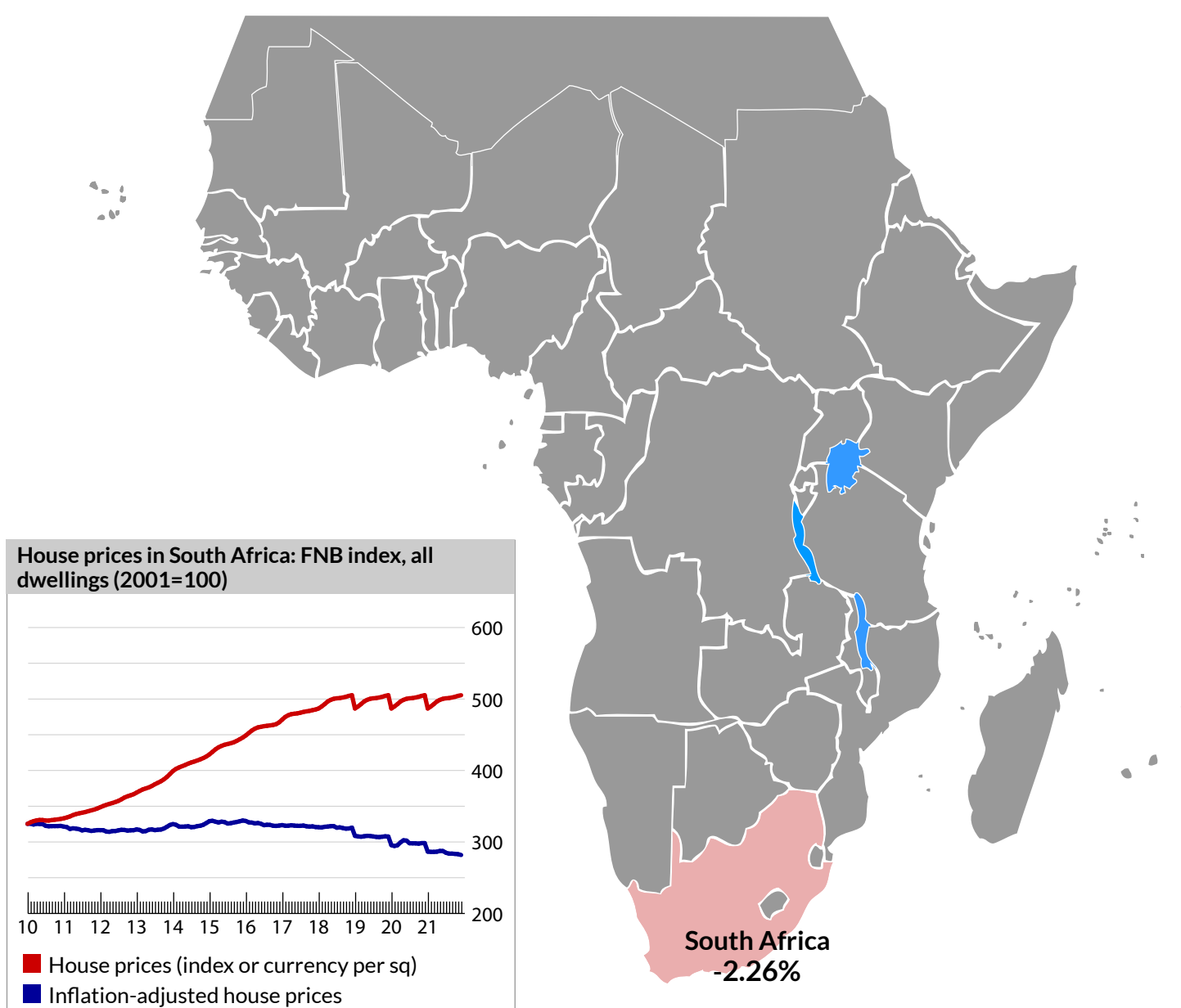


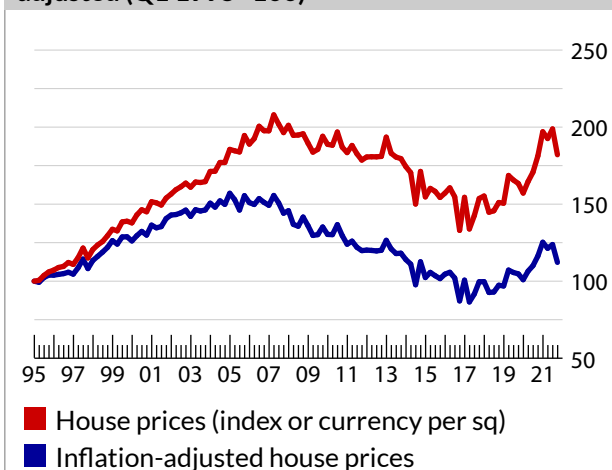
Figure 6. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

## Puerto Rico's erratic house price movements

**Puerto Rico's** housing market has been unpredictable lately, amidst ailing economy. The seasonally-adjusted purchase-only house price index fell by 3.55% in 2021 from a year earlier, in stark contrast to a y-o-y increase of 11.02% in 2020, using inflation-adjusted figures. Quarter-on-quarter, house prices plunged 9.37% in Q4 2021.

In fact the Puerto Rican housing market has been falling continuously for most of the decade. The island has experienced a prolonged economic crisis, massive debt, high unemployment and continuing population loss. With US\$70 billion in debt and US\$50 billion in pension liabilities, Puerto Rico's bankruptcy filing in May 2017 was the biggest in the history of the United States. During 2021, Puerto Rico's economy shrank by 0.6% from a year earlier, following a 3.9% decline in 2020. Except the 1.5% growth in 2019 and zero growth in 2012, the economy has been contracting for most of the decade. In 2022, the economy is expected to remain weak with real GDP to decline again by 0.3%.

Puerto Rico house price index, seasonally adjusted (Q1 1995=100)



Puerto Rico  
+14.56%

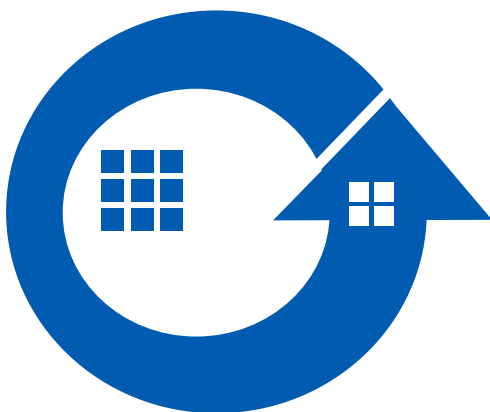
Figure 7. Change in real house prices (%) over 1 year to Q4 for countries which have released Q4 figures

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