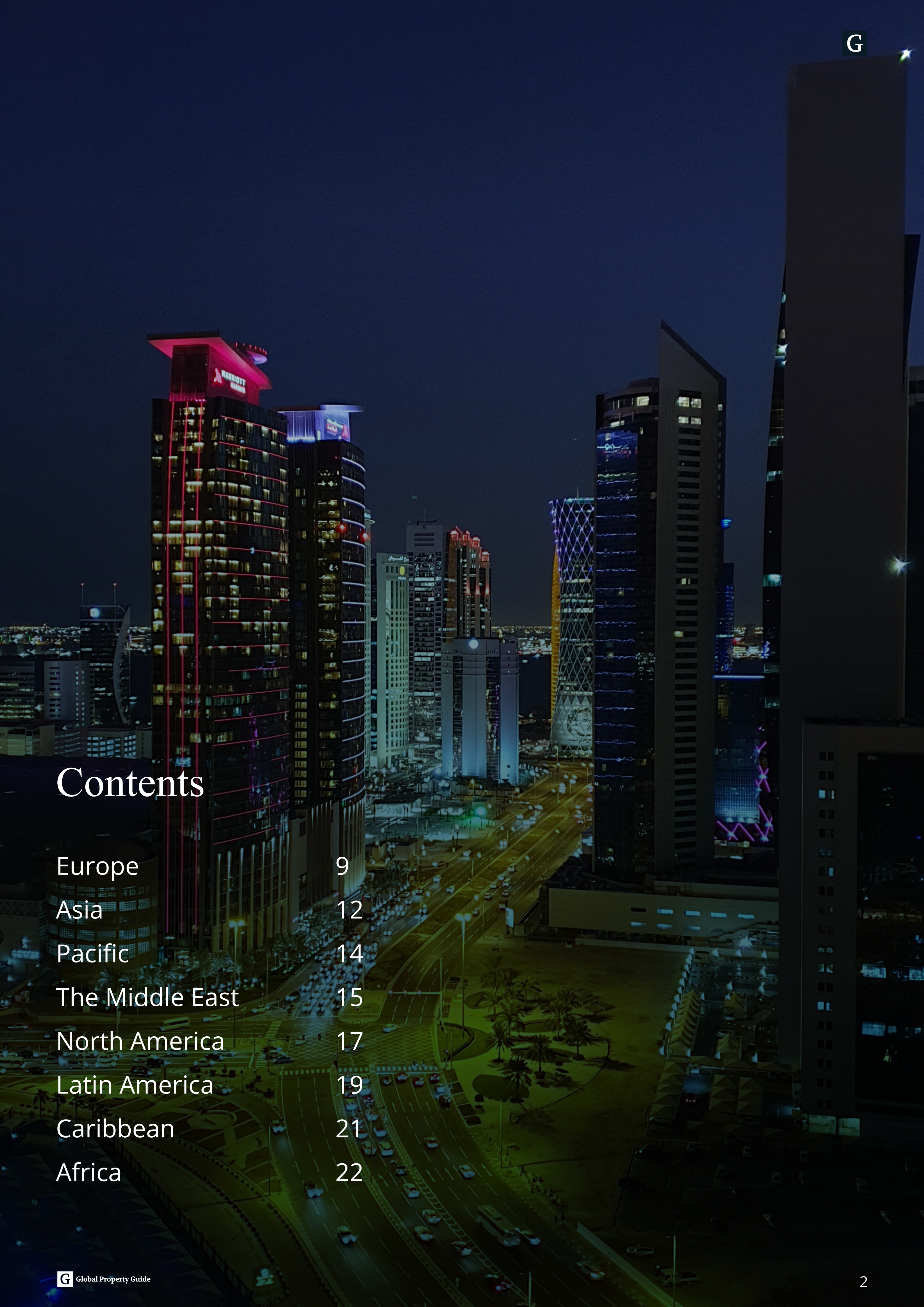
Global Property Guide

MARKET REPORT

Global Residential Real Estate

Q2 2025



Contents

House Price Change (Nominal)

	Y-O-Y (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
Australia	7.38	▼	0.34	0.69
Austria	-3.22	▲	-0.30	-0.40
Belgium	0.04	▲	4.68	-1.78
Bosnia and Herzegovina	9.53	◤	10.38	2.41
Brazil	5.42	◤	5.50	1.01
Bulgaria	15.11	◤	15.51	3.83
Cambodia*	3.64	▼	-2.07	-1.23
Canada	3.46	▼	0.38	-0.09
Chile	3.48	▲	8.99	2.24
China	-7.80	▲	-1.80	-2.41
Colombia	5.94	▼	3.37	0.75
Costa Rica	7.59	▲	10.33	5.48
Croatia	9.96	▲	13.22	4.42
Cyprus	7.97	▼	4.68	1.48
Czech Republic	4.22	▲	10.50	3.14
Denmark	5.88	▲	9.91	3.22
Dominican Republic	10.39	▼	8.88	-1.73
Egypt	48.84	▼	20.81	8.03
Estonia	6.69	▼	5.49	3.63
Finland	-2.93	▲	-1.08	0.20
France	-4.97	▲	0.40	-0.55
Georgia	14.94	▼	5.38	-1.01
Germany	-1.47	▲	3.18	1.06
Greece	9.48	▼	7.26	2.23
Hong Kong	-12.90	▲	-5.22	0.63
Hungary	13.42	▲	17.86	5.14
Iceland	6.28	◢	5.85	1.70
India*	4.09	◢	3.60	1.38
Indonesia	1.76	◢	0.90	0.37
Ireland	8.87	◢	7.87	2.03
Israel	5.62	▼	1.52	-1.09
Italy	2.94	◤	3.93	2.74

House Price Change (Inflation-Adjusted)

	Y-O-Y (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
Australia	3.82	▼	2.09	-0.02
Austria	-6.27	▲	-3.32	-0.97
Belgium	-3.33	▲	2.39	-0.99
Bosnia and Herzegovina	7.76	▼	5.56	1.69
Brazil	1.15	▼	0.14	0.08
Bulgaria	12.30	▼	9.89	3.51
Cambodia*	4.26	▼	-2.07	-0.47
Canada	0.76	▼	-1.45	-0.63
Chile	-0.69	▲	4.70	2.26
China	-7.98	▲	-1.91	-2.24
Colombia	-1.08	◢	-1.66	-0.29
Costa Rica	7.63	▲	10.57	6.39
Croatia	7.33	▲	9.25	3.17
Cyprus	4.91	◤	5.07	1.46
Czech Republic	1.71	▲	7.94	2.71
Denmark	4.24	▲	8.11	2.99
Dominican Republic	6.70	▼	5.14	-2.04
Egypt	16.73	▼	5.15	4.78
Estonia	3.85	▼	0.78	2.10
Finland	-4.41	▲	-1.48	0.31
France	-7.03	▲	-0.42	-1.27
Georgia	12.49	▼	1.93	-1.01
Germany	-3.68	▲	1.09	0.23
Greece	6.74	▼	4.75	0.85
Hong Kong	-14.12	▲	-6.62	0.91
Hungary	9.27	▲	12.91	4.55
Iceland	0.42	▲	1.64	-0.27
India*	-0.45	▲	0.70	2.25
Indonesia	-0.86	◢	-0.89	-1.52
Ireland	6.46	◢	5.99	1.15
Israel	2.66	▼	-1.73	-2.14
Italy	2.12	◤	2.17	2.38

▲ 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 (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
Japan	7.86	◢	6.91	5.48
Kazakhstan	2.21	▲	9.46	3.75
Latvia	-4.82	▲	1.53	0.94
Lithuania	3.26	▲	6.74	3.56
Luxembourg	-11.35	▲	5.54	2.73
Macau	-13.07	▲	-10.37	-3.11
Malaysia	4.11	▼	0.71	-1.73
Malta	5.24	-	5.24	0.98
Mauritius	16.78	▲	25.79	3.86
Mexico	9.36	◢	8.73	2.68
Moldova	18.23	▲	34.16	5.20
Mongolia	13.78	▲	17.27	1.34
Montenegro	21.40	◢	20.87	1.99
Morocco	-0.60	◥	0.00	-1.55
Netherlands	13.59	▼	1.07	-0.21
New Zealand	1.46	▼	-0.71	-1.11
North Macedonia	11.40	▲	19.93	8.63
Norway	1.51	▲	4.54	2.32
Pakistan	17.83	▲	23.74	7.75
Peru	0.44	▲	2.24	1.66
Philippines	7.89	◢	7.55	4.25
Poland	20.94	▼	2.23	0.59
Portugal	10.34	▲	16.19	4.69
Puerto Rico	5.10	▲	6.43	-1.28
Qatar	-5.22	▲	7.67	0.22
Romania	11.55	▲	15.66	1.98
Russia	32.86	▼	19.82	1.56
Saudi Arabia	1.57	▲	3.15	0.07
Serbia	4.85	▲	9.16	3.26
Singapore	6.22	▼	3.24	0.99
Slovak Republic	-1.28	▲	12.79	2.85
Slovenia	6.98	▼	5.54	3.79

House Price Change (Inflation-Adujsted)

	Y-O-Y (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
Japan	4.87	▼	3.56	4.91
Kazakhstan	-5.70	▲	-2.13	0.71
Latvia	-6.10	▲	-2.20	-0.15
Lithuania	2.52	◥	2.98	3.49
Luxembourg	-13.43	▲	3.52	1.42
Macau	-13.74	▲	-10.58	-3.13
Malaysia	2.07	▼	-0.41	-2.02
Malta	3.00	◢	2.64	-4.98
Mauritius	14.25	▲	19.28	2.51
Mexico	4.17	◥	4.23	1.77
Moldova	13.95	▲	24.03	3.74
Mongolia	9.43	▼	7.17	0.22
Montenegro	16.61	◢	15.96	0.13
Morocco	-2.35	▲	-0.42	-1.23
Netherlands	10.40	▼	-2.36	-1.50
New Zealand	-1.81	▼	-3.29	-1.64
North Macedonia	8.06	▲	14.14	5.93
Norway	-1.53	▲	1.67	1.31
Pakistan	4.65	▲	19.90	8.00
Peru	-1.80	▲	0.53	1.26
Philippines	4.03	▲	6.11	4.65
Poland	17.87	▼	-2.11	0.03
Portugal	7.45	▲	13.65	2.74
Puerto Rico	2.75	▲	5.18	-1.62
Qatar	-6.13	▲	7.45	-0.48
Romania	5.90	▲	9.33	0.84
Russia	22.35	▼	9.53	-4.30
Saudi Arabia	0.02	◥	0.87	-0.58
Serbia	1.00	▲	4.34	1.82
Singapore	3.37	◢	2.42	0.67
Slovak Republic	-3.32	▲	8.39	2.02
Slovenia	4.52	▼	3.38	3.79

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▼ More than one percentage point decrease in house price change

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House Price Change (Nominal)

	Y-O-Y (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
South Africa	0.50	▲	4.00	1.99
South Korea	0.21	◥	0.52	0.10
Spain	5.71	▲	10.44	2.96
Sri Lanka	6.63	▼	4.95	2.62
Sweden	-0.22	▲	2.93	1.39
Switzerland	3.51	◥	4.40	1.21
Taiwan	11.86	▼	-0.10	-2.39
Thailand	1.37	▲	2.83	-0.29
Turkey	46.38	▼	32.80	6.95
Ukraine	1.87	◢	1.83	0.52
United Arab Emirates	21.25	▼	13.69	2.75
United Kingdom	0.51	▲	3.62	-0.19
United States	5.49	▼	1.95	1.20
Uruguay	1.20	▲	3.77	-1.59

House Price Change (Inflation-Adujsted)

	Y-O-Y (%) Q2 2024		Y-O-Y (%) Q2 2025	Q-O-Q (%) Q2 2025
South Africa	-4.35	▲	0.95	1.20
South Korea	-2.14	◥	-1.65	0.11
Spain	2.20	▲	8.08	1.87
Sri Lanka	4.85	◥	5.58	0.26
Sweden	-3.49	▲	2.52	1.33
Switzerland	2.12	▲	4.39	0.83
Taiwan	9.21	▼	-1.45	-2.52
Thailand	0.75	▲	3.09	-0.36
Turkey	-14.69	▲	-1.67	0.89
Ukraine	-2.77	▼	-10.95	-2.25
United Arab Emirates	16.75	▼	11.05	2.35
United Kingdom	-2.22	▲	-0.42	-1.85
United States	2.45	▼	-0.70	0.33
Uruguay	-3.58	▲	-0.78	-1.92

▲ More than one percentage point increase in house price change

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Global housing markets are continuing their upward trajectory, led by steady growth in Europe and notable gains across Asia, the Middle East, Latin America, the Caribbean, and Africa. Meanwhile, the Pacific is showing signs of cooling, the U.S. market is losing steam, and Canada remains in decline.

When adjusted for inflation, house prices have risen in 53, and declined in 25 markets which have so far published housing statistics in Q2 2025.

Nominal figures, which is more familiar to the public, suggest a more upbeat global housing picture. During the year to Q2 2025, nominal house prices rose in as many as 69 countries out of the 78 world's housing markets, declined in just 8 countries, and held steady in one country. However, persistent inflation in several economies has produced sharp discrepancies between nominal and real house price figures. For instance, Turkey recorded a nominal house price increase of 32.8% in Q2 2025, yet real prices actually declined by 1.67%. Egypt also displays this divergence, with a 20.81% nominal price growth contrasting with a far smaller 5.15% real price increase.

In terms of momentum, majority of the world's property markets continue to grow stronger. In Q2 2025, 48 out of 78 housing markets performed better than the previous year, while only 30 showed signs of slowing down. Momentum is a measure of the "change in the change"; simply put, momentum has increased if a property market has risen faster this year than last (or fallen less).

During the year to Q2 2025:

- The United States, long a pivotal housing market, is showing renewed signs of cooling as economic uncertainty prompts buyers and investors to tread carefully. House prices have started to decline amid cautious buyer behavior and subdued homebuilder sentiment. Canada is facing a similar trend, with prices continuing to drop amid slowing demand and ongoing economic weakness.

- European housing markets remain largely buoyant, with house prices rising in 31 out of the 39 European countries included in our global survey in Q2 2025. Also, 26 countries showed stronger momentum in Q2 2025 as compared to the prior year. Strong performers in Europe included Moldova, Montenegro, North Macedonia, Portugal, and Hungary. Notable recoveries were also registered in some European countries, including Slovak Republic, Luxembourg, Sweden, and Belgium. In fact, three of the five strongest housing markets in our global survey are in Europe. Though Ukraine and several other European housing markets remain depressed.

- Asian housing markets delivered mixed results. Of the 17 markets included in our global house price survey, house prices rose in only eight, while 10 countries showed stronger performance in Q2 2025 compared with a year earlier. Pakistan emerged as a notable outlier, recording exceptional house price growth, whereas Mongolia, the Philippines, and Sri Lanka continued to post moderate gains. In contrast, Macau and Hong Kong remained subdued, with their housing markets still facing significant challenges.

- Pacific housing markets are softening. In Australia, house price growth is slowing amid weakening demand and a sluggish economy. Meanwhile, New Zealand is experiencing sharper house price declines, weighed down by a fragile economic environment.

- The Middle East showed varied performance. The United Arab Emirates remains a standout, delivering exceptional price growth, while Qataer posted a strong positive turnaround. Most other countries in the region remained sluggish, recording minimal declines in house prices. Of the seven Middle East housing markets included in our global house price survey, four have seen house price growth. Also, four countries performed better in Q2 2025 as compared to a year earlier.

- Latin America is gaining momentum. Five of the seven Latin American countries analyzed in our global house price survey showed stronger performance in Q2 2025 as compared to a year earlier. House prices rose in five countries, with Costa Rica recording particularly strong growth.

- Caribbean housing markets are showing steady improvement, driven by a tourism boom, increased interest from remote workers and lifestyle migrants, and favorable tax incentives.

- Africa's housing markets are on the rise, with Mauritius posting impressive double-digit house price growth, ranking as the third-best performer in our global house price survey. Meanwhile, South Africa's house prices are now gradually increasing.

The strongest house price increases in our global survey during the year to Q2 2025 were seen in: Moldova (+24.03%), Pakistan (+19.90%), Mauritius (+19.28%), Montenegro (+15.96%) and North Macedonia (+14.14%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered in Ukraine (-10.95%), followed by Macau (-10.58%), Hong Kong (-6.62%), Austria (-3.32%) and New Zealand (-3.29%), again using inflation-adjusted figures.

In its October 2025 World Economic Outlook Update, the International Monetary Fund (IMF) upgraded its global economic growth forecast this year to 3.2%, up from its growth projection of 3% in July and 2.8% in April. Yet it remains slightly below last year's 3.3% expansion.

"Global growth is projected to decelerate from 3.3 percent in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026," said the IMF. "The year 2025 has been fluid and volatile, with much of the dynamics driven by a reordering of policy priorities in the United States and the adaptation of policies in the other economies to new realities. Trade news has dominated the headlines, and, along with them, perceived prospects for the global economy have fluctuated."

Economic growth in advanced economies is projected to be 1.6% in 2025. More specifically, growth in the United States and the euro area this year is expected to remain subdued to 2% and 1.2%, respectively, amidst greater policy uncertainty, trade tensions, and slowing demand. Likewise, in emerging market and developing economies, economic growth is projected to decelerate to 4.2% this year, with notable downgrades for countries hardest hit by recent trade measures, such as China, Russia, Brazil, and Mexico.

Inflationary pressures will continue to ease. Global headline inflation is expected to fall to 4.2% this year and to 3.7% in 2026, down from 5.8% last year and 6.7% two years ago. Yet the aggregate outlook conceals significant cross-country differences, with inflation projected to stay above target in the United States while remaining more subdued in other major economies.

"Global inflation projections were revised little in April and July, but revisions in different directions across countries offset each other. Specifically, inflation forecasts were revised upward in the United States but downward in many other jurisdictions, consistent with the expectation that the shifting international trade landscape would imply a supply shock in the tariffing country and a demand shock in the tariffed countries," noted the IMF.

Inflationary pressures will continue to ease. Global headline inflation is expected to fall to 4.2% this year and to 3.6% in 2026, down from 5.8% last year and 6.7% two years ago. The aggregate outlook conceals significant cross-country differences, with inflation projected to stay above target in the United States while remaining more subdued in other major economies.

"Global inflation is expected to fall, but US inflation is predicted to stay above target. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist," noted the IMF.

THE WORLD'S REGIONS:

Most European housing markets continue their upward surge

House prices have risen in 31 of the 39 European housing markets for which figures were available in Q1 2025. Also, 26 countries had stronger momentum in Q2 2025 compared to a year earlier. Exceptional house price growth persists in Moldova, Montenegro, North Macedonia, Portugal, and Hungary. A positive turnaround was also registered in some European countries, including Slovak Republic, Luxembourg, Sweden, and Belgium.

Moldova maintains its position as the top performer in our global house price survey, fueled by rising demand driven by improved credit conditions and an influx of refugees in the country, coupled with limited supply. The nationwide house prices were up by a whopping 24.03% in Q2 2025 from a year earlier, a sharp acceleration from a year-on-year increase of 13.95% in the same period last year. Quarter-on-quarter, house prices were up by 3.74% in Q2 2025.

Surprisingly, Moldova's broader economy remains weak, registering a meager growth of just 0.1% in 2024, following an annual expansion of 1.2% in 2023 and a contraction of 4.6% in 2022. Economic growth is projected to slightly improve this year at 1.7%.

Montenegro's housing market is heating up further, buoyed by strong demand, especially from foreign homebuyers. The price of dwellings in new residential buildings surged by 15.96% in Q2 2025 from a year earlier, following year-on-year increases of 19.77% in Q1 2025, 5.91% in Q4 2024, 11.76% in Q3 2024, 16.61% in Q2 2024, and 24.09% in Q1 2024. Quarter-on-quarter, prices were up slightly by 0.13% during the latest quarter.

In fact in nominal terms, dwelling prices rose by a spectacular 20.87% during the year to Q2 2025, its eighteenth consecutive quarter of year-on-year growth. After expanding by an average of 8.5% annually in 2021-2023, Montenegro's economic growth slowed to 3.2% in 2024. The economy is projected to grow by an average of 3.2% annually in the next two years.

North Macedonia's housing market growth is accelerating, amidst robust demand and healthy residential construction activity, coupled with improving overall economic conditions. In Q2 2025, the nationwide house price index surged by 14.14% from a year earlier, a sharp improvement from the prior year's 8.06% growth. In fact, it was the country's second strongest house price growth since Q4 2008. Quarterly, prices were up by 5.93% in Q2 2025.

During 2024, the total number of dwellings for which building permits were issued in North Macedonia increased by 6.4% y-o-y to 8,367 units. This followed an annual growth of 12.3% in 2023 and a huge contraction of 41.4% in 2022. Though in the first nine months of 2025, dwelling permits declined slightly by 1% y-o-y to 6,145 units. The overall economy is projected to expand by a moderate 3.4% this year, an improvement from 2.8% in 2024, 2.1% in 2023, and 2.8% in 2022.

Portugal's housing market is strengthening further, supported by robust demand and a housing shortage. Nationwide property prices rose by a huge 13.65% in Q2 2025 from a year earlier, nearly double the year-on-year growth of 7.45% in Q2 2024 and the biggest expansion since Q2 2020. Quarterly, real house prices were up by 2.74% in Q2 2025.

Demand continues to grow strongly, with the total number of dwellings sold increasing by a huge 20% y-o-y to 81,771 units in the first half of 2025, following an annual growth of 14.5% in the whole year of 2024. Residential construction activity showed mixed results. In Q2 2025, the number of dwellings licensed in new constructions increased by 17.9% from a year earlier while completed dwellings decreased by 4.4% over the same period. Portugal's overall economy is projected to expand by 1.9% this year and by another 2.2% in 2026, after growing by 1.9% in 2024, 2.6% in 2023, 7% in 2022 and 5.6% in 2021.

Strong house price increases were also experienced in Hungary (12.91%), Bulgaria (9.89%), Russia (9.53%), Romania (9.33%), Croatia (9.25%), Slovak Republic (8.39%), Denmark (8.11%), Spain (8.08%), and Czech Republic (7.94%). All, except Russia, saw quarter-on-quarter price increases during the latest quarter. All, except Bulgaria and Russia, experienced stronger performances in Q2 2025 as compared to the same period last year.

European housing markets which registered more moderate house price growth during the year to Q2 2025 included Ireland (5.99%), Bosnia and Herzegovina (5.56%), Cyprus (5.07%), Greece (4.75%), Switzerland (4.39%), Serbia (4.34%), Luxembourg (3.52%), Slovenia (3.38%), Lithuania (2.98%), Malta (2.64%), Sweden (2.52%), Belgium (2.39%), and Italy (2.17%). All, except Ireland, Bosnia and Herzegovina, Greece, Slovenia, and Malta, performed stronger in Q2 2025 compared to the preceding year. All, except Malta and Belgium, saw quarter-on-quarter price increases in Q2 2025.

Germany's housing market is gradually improving, with the nationwide average price of apartments (inflation-adjusted) increasing slightly by 1.09% in Q2 2025 from the previous year. This is a positive turnaround from the year-on-year price decline of 3.68% in Q2 2024. It is now the third consecutive quarter of year-on-year price increase and the second best showing since Q2 2022. Quarterly, real house prices were up slightly by 0.23% in Q2 2025.

Following a decade-long house price boom, Germany's housing market has faced challenges over the past two years due to economic uncertainty, elevated mortgage interest rates, and rising construction material costs, all of which have compounded affordability constraints. Fortunately, the housing market is now showing signs of improvement. With recovering demand, residential construction activity is now increasing again. In the first three quarters of 2025, dwelling permits rose by 11.7% y-o-y to 175,551 units, following annual declines of 17% in 2024, 26.6% in 2023 and 7% in 2022. Europe's biggest economy continues to face headwinds, with its real GDP contracting by 0.5% last year, following a 0.9% decline in 2023 and a meager growth of 1.8% in 2022, as private consumption suffered from a loss in purchasing power. The European Commission forecasts that Germany's economy will broadly stagnate this year, before slightly improving to a growth of 1.2% in 2026.

Minimal house price growth was also seen in Georgia (1.93%), Norway (1.67%), Iceland (1.64%), and Estonia (0.78%). Only Norway and Iceland recorded stronger performance in Q2 2025 from the previous year. Also, only Norway and Estonia saw quarterly price growth during the latest quarter.

Following a decade-long house price boom, Germany's housing market has faced challenges over the past two years due to economic uncertainty, elevated mortgage interest rates, and rising construction material costs, all of which have compounded affordability constraints. Fortunately, house prices have started to increase again. In Q1 2025, the average price of apartments rose by 1.48% (inflation-adjusted) from a year earlier, in stark contrast with the 6.44% decline in the same period last year. It was the second consecutive quarter of y-o-y increase and the best showing since Q2 2022. Quarter-on-quarter, real house prices were up slightly by 0.93% in Q1 2025.

With recovering demand, residential construction activity in Germany is now showing some improvements. In the first half of 2025, dwelling permits rose by 2.9% y-o-y to 109,760 units, following annual declines of 17% in 2024, 26.6% in 2023 and 7% in 2022. Europe's biggest economy continues to face headwinds, with its real GDP contracting by 0.2% last year, following a 0.3% decline in 2023 and a meager growth of 1.4% in 2022, as private consumption suffered from a loss in purchasing power. The European Commission forecasts that Germany's economy will see no growth this year, before slightly improving to a growth of 1.1% in 2026.

Minimal house price growth was also recorded in Italy (2.71%), Slovenia (2.31%), Luxembourg (1.99%), Sweden (1.83%), Serbia (0.93%), Lithuania (0.25%), Estonia (0.09%), and Malta (0.05%). All, except Slovenia, Lithuania, Estonia and Malta, showed stronger performance in Q1 2025 compared to the previous year. Though only Estonia, Malta and Serbia saw miniscule quarter-on-quarter price increases in Q1 2025.

Europe's worst performing housing markets

Ukraine's housing market continues to struggle, with the price index of second-hand dwellings in Metropolitan France falling by a huge 10.95% during the year to Q2 2025, far worse than the prior year's 2.77% decline. It was its nineteenth consecutive quarter of year-on-year inflation-adjusted house price declines and its second worst showing since Q1 2023. Quarterly, house prices were down by 2.25% in Q2.

The European Commission has once again downgraded Ukraine's growth outlook, cutting its 2025 forecast to 1.6% from 2.8% and its 2026 projection to just 1.5% from 5.9%, amid expectations of a sharp decline in exports. The economy grew by 5.5% in 2023 and 2.9% in 2024, after suffering a huge contraction of 28.8% in 2022.

Other weak European housing markets included Austria, with residential property prices falling by 3.32% year-on-year in Q2 2025, Netherlands (-2.36%), Latvia (-2.20%), Poland (-2.11%), Finland (-1.48%), and France (-0.42%). All, except Finland and Poland, registered quarterly price falls during the quarter. On the upside, all, except Netherlands and Poland, performed better in Q2 2025 as compared to the same period last year.

The United Kingdom's housing market remains fragile, amidst subdued economic activity. Inflation-adjusted house prices fell by an average of 0.42% in Q2 2025 from a year earlier, following a year-on-year increase of 2.13% in the previous quarter and a decline of 2.22% in the prior year. But in nominal terms, UK house prices actually increased by a modest 3.62% over the same period. Quarter-on-quarter, inflation-adjusted house prices were down by 1.85% in Q2 2025.

Demand continues to strengthen, with residential property transactions (seasonally-adjusted) in the UK increasing by 7% y-o-y to 1,094,780 units in 2024, after falling by a huge 19.1% in 2023 and by 14.7% in 2022. Then in the first three quarters of 2025, transactions surged further by 13.5% y-o-y to 912,530 units. Yet residential construction activity remains weak. In 2024, dwelling starts in the UK plummeted by 25.7% y-o-y to 132,460 units while completions declined by 5.3% to 184,390 units. The UK economy is expected to remain sluggish, with a projected real GDP growth rate of 1.3% this year, following annual expansions of 1.1% in 2024 and 0.4% in 2023.

Asian housing markets show mixed performance

House prices rose in only 8 of the 17 Asian housing markets included in our global house price survey. Though, 10 countries performed better in Q2 2025 compared to a year earlier. Pakistan stood out as a major outlier, posting exceptional house price growth, while Mongolia, the Philippines, and Sri Lanka continued to register moderate gains. In contrast, Macau and Hong Kong remained weak, with their housing markets still struggling.

Pakistan's housing market is experiencing spectacular growth, supported by strong demand from increasing population and rapid urbanization. In Q2 2025, the inflation-adjusted residential property price index in Karachi increased by a huge 19.9% from a year earlier, a sharp acceleration from a year-on-year increase of 4.65% in Q2 2024. It was the biggest price increase recorded since Q1 2015. Quarterly, residential property prices in Karachi were up strongly by 8% in Q2 2025.

The Pakistani economy grew by a modest 2.5% in 2024 from a year earlier, following a contraction of 0.2% in 2023 and expansions of 6.2% in 2022 and 5.8% in 2021. The economy is projected to continue growing by 2.7% this year and by another 3.6% next year.

Mongolia's housing market continues to perform well, with the inflation-adjusted average price of old apartments in Ulaanbaatar increasing by a robust 7.17% during the year to Q2 2025. Yet it is lower than the 9.43% increase recorded in the same period in the prior year. In fact in nominal terms, prices of old apartments skyrocketed by 17.27% y-o-y in Q2 2025. Quarterly, inflation-adjusted house prices were up slightly by 0.22% in the second quarter of 2025.

Mongolia's economy remains resilient, registering a real GDP growth rate of 5.1% in 2024, mainly driven by strong growth in the mining sector, as well as robust household consumption and government spending. This followed annual expansions of 7.4% in 2023, 5% in 2022 and 1.6% in 2021. The IMF expects the economy to remain strong in the medium term, with a projected average annual real GDP growth rate of 5.5% in the next two years.

The Philippines' housing market is gathering pace, supported by declining interest rates and strong economic fundamentals. The nationwide inflation-adjusted residential real estate price index increased by 6.11% in Q2 2025 from a year earlier, following year-on-year growth of 5.71% in Q1 2025, 6.67% in Q4 2024, 5.54% in Q3 2024, 4.03% in Q2 2024 and 3.56% in Q1 2024. Quarterly, prices were up by 4.65% in Q2 2025.

The Philippine economy grew by 5.7% in 2024 from the preceding year, following annual expansions of 5.5% in 2023, 7.6% in 2022, and 5.7% in 2021 and a pandemic-induced contraction of 9.5% in 2020, buoyed by strong domestic demand, which was evident in higher household consumption and investments. The Philippine government expects the economy to grow between 6% and 8% this year and in 2026.

Other Asian housing markets which registered moderate to minimal house price growth during the year to Q2 2025 included the Sri Lanka (5.58%), Japan (3.56%), Thailand (3.09%), Singapore (2.42%), and India (0.7%). All, except Japan and Singapore, showed stronger performance in Q2 2025 as compared to the same period last year. On the other hand, all, except Thailand, saw a quarterly price increase during the latest quarter.

Asia's weakest housing markets

Macau's housing market continues to languish as economic growth decelerates rapidly. The average transaction price of residential units fell by a huge 10.58% (inflation-adjusted) in Q2 2025 from a year earlier, following year-on-year declines of 10.77% in Q1 2025, 11.84% in Q4 2024, 13.78% in Q3 2024, 13.74% in Q2 2024 and 10.11% in Q1 2024. It was the sixteenth consecutive quarter of house price falls. On a quarterly basis, prices fell by 3.13% in Q2 2025.

The overall economy is slowing sharply. Macau's real GDP growth was 8.8% in 2024, a sharp slowdown from the prior year's expansion of 75.1%. The city's overall economic output is now at 86.4% of its 2019 level. The IMF expects the economy to slow further in the medium term, with a projected real GDP growth rate of just 2.6% this year and 2.8% in 2026, as gross gaming revenue expands at a slower pace.

Hong Kong's housing market remains depressed, though the rate of house price decline has moderated, as demand improves and construction activity strengthens, amid falling interest rates and the lifting of government cooling measures. The inflation-adjusted residential property prices were down by 6.62% in Q2 2025 from a year earlier, an improvement from the prior year's 14.12% plunge. It was the fourteenth consecutive quarter of year-on-year price falls but actually the lowest decline since Q2 2022. Quarterly, real house prices increased slightly by 0.91% during the quarter under review. Hong Kong continues to suffer a chronic housing shortage – a problem that has dragged on for over two decades. To partially address this, completions soared by more than 75% to 24,261 units in 2024 – the highest level in two decades. In the first three quarters of 2025, a total of 13,354 housing completions were registered.

On a positive note, demand is showing some improvements, buoyed by falling interest rates and the removal of housing market restrictions. During 2024, the total number of property transactions – including primary and secondary sales – rose strongly by 23.5% y-o-y to 53,099 units, in contrast to annual declines of 4.5% in 2023 and 39.4% in 2022. Likewise, total sales volume increased by 16.7% y-o-y to HK$454.36 billion (US$58.04 billion) last year, a sharp turnaround from annual contractions of 4.5% in 2023 and 44.4% in 2022. The upward trend continued this year, as property transactions surged 20.1% year-on-year in the first three quarters of 2025, with sales volume up 11.8% over the same period. Hong Kong's service-oriented economy is projected to grow by 2% to 3% this year, after expansions of 2.5% in 2024 and 3.2% in 2023 and a contraction of 3.7% in 2022.

Other weak Asian housing markets included Kazakhstan, with house prices falling by 2.13% during the year to Q2 205, Cambodia (-2.07%), China (-1.91%), South Korea (-1.65%), Taiwan (-1.45%), Indonesia (-0.89%), and Malaysia (-0.41%). All, except Kazakhstan and South Korea, registered quarterly price falls in Q2 2025. On the other hand, all, except China, Kazakhstan and South Korea, continued to show weaker performance in Q2 2025 compared to a year earlier.

Pacific housing markets continue to weaken

Pacific housing markets continue to show signs of weakening, with slower house price growth in Australia and steeper declines in New Zealand.

Australia's property market is losing momentum, amidst weakening demand and a sluggish economy. Inflation-adjusted house prices in the country's eight major cities rose by a modest 2.09% in Q2 2025 from a year earlier, a slowdown from the prior year's 3.82% growth and the lowest increase since Q1 2021. Quarter-on-quarter, real house prices declined slightly by 0.02% in Q2 2025.

Housing demand is cooling, but residential construction activity remains on an upward trend. In the first half of 2025, the total number of established and attached dwelling transfers fell by 3.3% to 256,001 units from a year earlier, following an annual growth of 12.1% in 2024, and declines of 3.5% in 2023 and 20.4% in 2022. Dwelling approvals were up by 14.2% to 143,585 units in the first three quarters of 2025 as compared to the prior year, following an annual increase of 5.5% in 2024 and decreases of 14.4% in 2023 and 16.4% in 2022.

Australia's overall economic growth slowed to 1% in 2024, from 2.1% in 2023, 4.1% in 2022 and 5.4% in 2021. The IMF expects the Australian economy to expand by 1.8% this year and 2.1% in 2026.

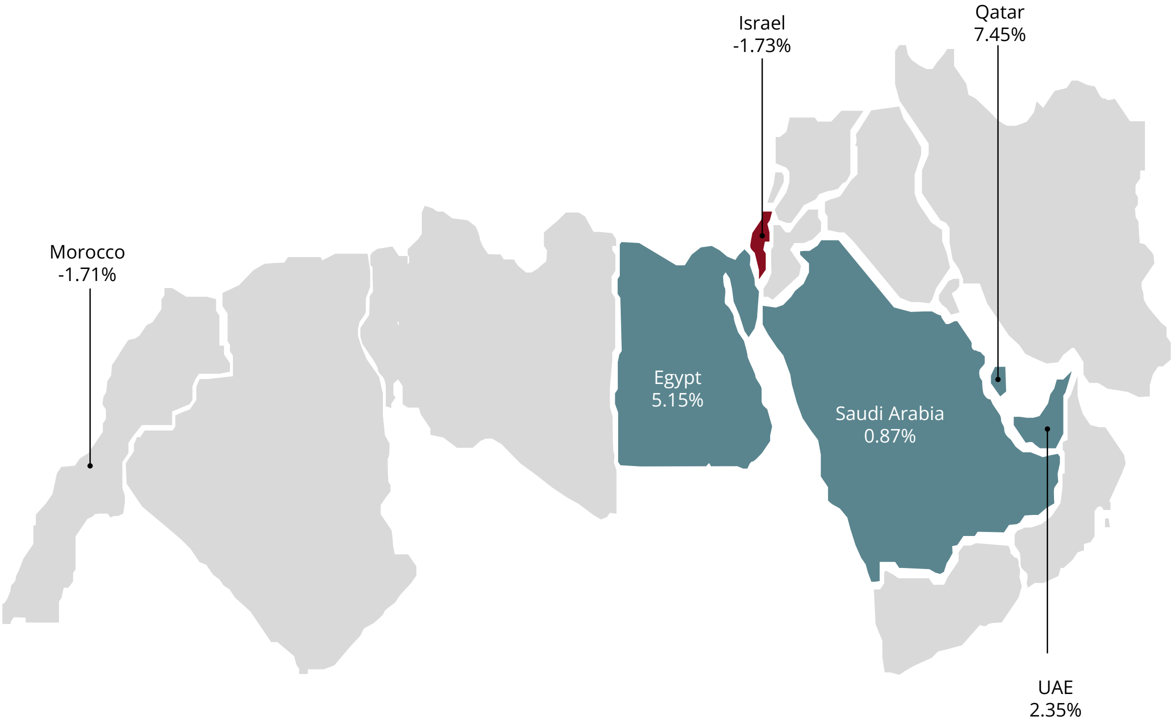
New Zealand's house prices are dropping at a faster pace, even as buyer demand strengthens. Inflation-adjusted median house prices dropped by 3.29% in Q2 2025 from a year earlier, worse than the year-on-year decline of 1.81% seen in the same period last year. It is now the thirteenth consecutive quarter of year-on-year price falls. Quarterly, real house prices were down by 1.64% in Q2 2025.

In the first half of 2025, the total number of house sales in the country reached 45,276 units, up by 8.5% from the same period last year, according to RBNZ. This followed an annual growth of 12.3% in 2024 and 5.8% in 2023. A recent report released by REINZ showed that nationwide property sales rose by 6.4% in October 2025 from a year earlier, to reach 7,505 units. Eleven out of the 16 regions recorded year-on-year increases in sales count. Residential construction activity is improving. In the first nine months of 2025, the total number of new dwelling consents in New Zealand rose by 5.1% y-o-y to 26,454 units, following declines of 9.8% in the full year of 2024 and 22.9% in 2023.

NZ's economy contracted by 0.6% in 2024, after expanding by 1.8% in 2023, 2.9% in 2022 and 5.7% in 2021, as high interest rates and elevated inflation weigh on private consumption. The IMF expects NZ's economic conditions to gradually improve in the medium term, projecting real GDP growth rates of 0.8% this year and 2.2% in 2026.

The Middle East remains two-tiered

Middle Eastern housing markets delivered mixed results. The United Arab Emirates continued to stand out with exceptional price growth, while Qatar posted a strong positive turnaround. Most other countries in the region remained subdued, recording only minimal declines in house prices. Of the seven Middle East housing markets included in our global house price survey, four have seen house price growth. Also, four countries performed better in Q2 2025 compared to a year earlier.



The UAE's housing market continues to exhibit exceptional performance, supported by sustained strong demand and robust economic growth. In Dubai, inflation-adjusted residential property prices rose by a whopping 11.05% in Q2 2025 from a year earlier, following annual increases of 13.35% in Q1 2025, 14.72% in Q4 2024, 16.51% in Q3 2024, 16.75% in Q2 2024 and 16.81% in Q1 2024. It was its ninth consecutive quarter of double-digit year-on-year price growth. Quarterly, real house prices in Dubai were up by 2.35% in Q2 2025.

Demand continues to surge. In Dubai, the total number of real estate transactions reached 94,000 deals in the first half of 2025, up by 23% from the same period last year. Likewise, transaction value totaled AED262.7 billion (US$71.5 billion), marking a whopping 37.68% from the prior year. The overall UAE economy is projected to grow by a robust 4.8% this year and another 5% in 2026, following annual expansions of 4% in 2024, 4.3% in 2023, 7.5% in 2022 and 4.6% in 2021, buoyed by the expected rise in oil production.

Qatar's residential property sector is gradually picking up, supported by higher demand and improving economic conditions. In Q2 2025, the nationwide inflation-adjusted real estate price index increased by 7.45% from a year earlier, a sharp turnaround from a year-on-year decline of 6.13% in Q2 2024. Quarterly, real prices fell slightly by 0.48% during the latest quarter. The broader economy is projected to grow by 2.9% this year and another 6.1% in 2026, an acceleration from expansions of 2.4% in 2024 and 1.5% in 2023, according to IMF figures.

Egypt's housing market continues to grow, albeit at a slower pace, with the nationwide inflation-adjusted real estate index rising by 5.15% in Q2 2025 from a year earlier, a sharp deceleration from the strong growth of 16.73% seen in Q2 2024. Quarter-on-quarter, real house prices were up by 4.78% in Q2 2025. Though in nominal terms, house prices continued to surge by 20.81% in Q2 2025 from a year earlier and by 8.03% from the previous quarter. After expanding by 2.4% in 2024, the overall economy is projected to expand by 4.3% this year and by another 4.5% in 2026.

Saudi Arabia's housing market remains sluggish, with its inflation-adjusted residential real estate index increasing by a miniscule 0.87% year-on-year in Q2 2025. It followed zero growth in the same period last year. Quarter-on-quarter, prices fell slightly by 0.58% during the latest quarter. Despite this, KSA's overall economy is improving, with its real GDP growth projected to accelerate to 4% this year, from 2% in 2024 and 0.5% in 2023.

On the other hand, minimal year-on-year house price declines were registered in Israel (-1.73%), Turkey (-1.67%) and Morocco (-0.42%). Yet only Israel had weaker showing in Q2 2025 as compared to the previous year. Both Israel and Morocco experienced quarter-on-quarter house price declines during the latest quarter.

North America: U.S. and Canadian housing markets show cooling trends

The U.S. housing market is slowing amid rising economic uncertainty, with Canada's housing sector following a similar downward trend.

The U.S. housing market is clearly losing steam as economic uncertainty prompts greater caution among buyers and investors. The S&P/Case-Shiller seasonally-adjusted national home price index fell slightly by 0.7% in Q2 2025 from a year earlier (inflation-adjusted), in sharp contrast to a year-on-year growth of 2.45% in the preceding year. It was its first quarter of decline since Q2 2023. Quarter-on-quarter, house prices were up slightly by 0.33% during the latest quarter.

Interestingly, demand remains resilient. In September 2025, existing home sales – completed transactions that include single-family homes, townhomes, condominiums and coops – increased by 4.1% to a seasonally-adjusted annual rate of 4,060,000 units as compared to a year earlier, according to the National Association of Realtors (NAR). Likewise, sales of new single-family houses were up strongly by 15.4% y-o-y to a seasonally-adjusted annual rate of 800,000 units in August 2025, according to the U.S. Census Bureau.

Residential construction activity is now declining. In August 2025, the number of housing units authorized by building permits fell by 11.1% y-o-y to a seasonally-adjusted annual rate of 1,312,000 units. Likewise, housing starts dropped 6% y-o-y to 1,307,000 units and housing completions were down by 8.4% to 1,608,000 units over the same period. The U.S. homebuilder sentiment increased one point from the previous month but still lower by eight points from a year earlier to 38 in November 2025, reflecting the continued drag of a stagnant labour market and persistent economic uncertainty on buyer sentiment, 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 expanded by a modest 2.8% last year, following annual growth of 2.9% in 2023, 2.5% in 2022, and 6.1% in 2021, according to the U.S. Bureau of Economic Analysis. The world's biggest economy is projected to grow by 2% this year and another 2.1% in 2026, based on IMF forecast.

Canada's housing market is weakening again, following a fleeting recovery in 2024. In Q2 2025, inflation-adjusted house prices in the country's eleven major cities declined by 1.45% from a year earlier, in contrast to the year-on-year price growth of 0.76% recorded a year ago. Quarter-on-quarter, real house prices were down slightly by 0.63 during the latest quarter.

Demand is slowing. In October 2025, actual monthly home sales in Canada were down by 4.3% as compared to a year earlier, according to the Canadian Real Estate Association (CREA). Due to the ongoing tariff uncertainty and the expected economic repercussions that it brings, CREA is now forecasting that national home sales for this year will decline by 1.1% to 473,093 units, in contrast to a robust sales growth of 7.3% in 2024. This represents a large downward revision from its initial projection of an 8.6% sales growth this year. As a result, residential construction is now falling. In October 2025, the seasonally-adjusted annual rate of housing starts in the country stood at 232,765 units, down by 16.6% from the previous month and by 5% from the same period last year, according to the Canada Mortgage and Housing Corporation (CMHC).

Canada's overall economy remains sluggish, with a real GDP growth rate of 1.6% during 2024, following expansions of 1.5% in 2023, 4.2% in 2022, and 6% in 2021. The economy will continue its lackluster performance this year, with the IMF projecting a miniscule real GDP growth rate of 1.2%, as major policy shifts pose potential risks to the economic outlook.

Latin America's housing markets gaining momentum

Five of the seven Latin American countries analyzed in our global house price survey showed stronger performance in Q2 2025 as compared to a year earlier. House prices also rose in five countries, with Costa Rica recording particularly strong growth.

Costa Rica's housing market is strengthening, supported by robust demand and stable economy. The average price of apartments in San Jose surged by 10.57% in Q2 2025 from a year earlier, an acceleration from the preceding year's 7.63% growth. It was the ninth consecutive quarter of year-on-year price increase. Quarter-on-quarter, prices were up by 6.39%. Costa Rica's broader economy grew by 4.3% during 2024 and is projected to expand further by 3.6% this year and another 3.3% in 2026.

Chile posted a surprising turnaround, with the average price of new houses increasing by 4.7% in Q2 2025 from a year earlier. This is in stark contrast with the year-on-year decline of 0.69% recorded in Q2 2024. Quarterly, house prices were up by 2.26% during the latest quarter. During 2024, Chile's economy expanded by a modest 2.6%. The IMF projects growth to ease slightly to 2.5% in 2025 and further to 2% in 2026.

Mexico's housing market continue to grow, with the nationwide house price index rising by 4.23% in Q2 2025 from a year earlier, at par with the year-on-year increase of 4.17% in Q2 2024. Quarter-on-quarter, real house prices were up by 1.77% in Q2 2025. Despite this, the overall economy remains sluggish, posting a meager growth of 1.4% in 2024, a sharp slowdown from annual expansions of 3.3% in 2023, 3.7% in 2022, and 6% in 2021. Economic growth is projected to slow further this year to just 1%, constrained by U.S. tariffs on exports and heightened geopolitical uncertainty.

Minimal year-on-year house price increases were recorded in Peru (0.53%) and Brazil (0.14%) in Q2 2025. Both markets posted quarterly gains during the latest period, of 1.26% for Peru and 0.08% for Brazil. Peru showed comparatively stronger momentum, while Brazil's performance in Q2 2025 remained weaker than that of the previous year.

Though, conditions are far different in other Latin American countries.

In Colombia, the inflation-adjusted new home price index in Bogota fell by 1.66% in Q2 2025 from a year earlier, following year-on-year declines of 1.66% in Q1 2025, 0.74% in Q4 2024, 1.62% in Q3 2024, 1.08% in Q2 2024, and 0.71% in Q1 2024. Quarterly, house prices dropped slightly by 0.29% during the latest quarter.

In Uruguay, residential property prices declined slightly by 0.78% in Q2 2025 from a year earlier, a deceleration from a year-on-year fall of 3.58% in the prior year. It is now the eighteenth consecutive quarter of house price falls. Quarter-on-quarter, real prices were down by 1.92% in Q2 2025.

Caribbean housing markets stabilizing

Caribbean housing markets are moving toward greater stability, helped by rising tourism, stronger demand from remote workers and lifestyle migrants, and attractive tax incentives.

Puerto Rico's housing market continues to expand, despite its ailing economy. The seasonally-adjusted purchase-only house price index increased by 5.18% in Q2 2025 from a year earlier, following year-on-year growth of 7.14% in Q1 2025, 20.61% in Q4 2024, 11.02% in Q3 2024, 2.75% in Q2 2024, and 6.12% in Q1 2024, using inflation-adjusted figures. In fact, it is now the six consecutive quarter of year-on-year price growth. Yet quarter-on-quarter, real house prices declined by 1.62% 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 expanded slightly by 1% during 2024, following annual growth of 0.6% in 2023, 3.6% in 2022, and 0.4% in 2021. Overall economic conditions are expected to worsen in the medium term, with the IMF projecting real GDP contractions of 0.8% this year and another 0.1% in 2026.

The Dominican Republic's housing market continues to post steady growth, with the inflation-adjusted average price of apartments rising by 5.14% in Q2 2025 from a year earlier, following a year-on-year growth of 6.7% in the prior year. Yet quarter-on-quarter, apartment prices were down by 2.04% in Q2 2025.

The overall economy grew by a robust 5% in 2024, after expanding by 2.2% in 2023 and 5.2% in 2022. The latest IMF projections showed that the Dominican Republic's economy will likely grow by further by 3% this year and by another 4.5% in 2026.

Africa’s housing markets gathering pace

Africa’s housing market outlook continues to show remarkable improvements, with Mauritius posting impressive double-digit house price growth, ranking as the third-best performer in our global house price survey. Meanwhile, South Africa’s house prices are now gradually increasing.

Mauritius’ housing market continues to firm up, driven by strong demand and solid economic performance. During the year to Q2 2025, the inflation-adjusted residential property price index soared by 19.28%, following year-on-year increases of 21.59% in Q1 2025, 20.44% in Q4 2024, 19.1% in Q3 2024, 14.25% in Q2 2024, and 13.96% in Q1 2024. It was its eleventh consecutive quarter of double-digit house price growth. Quarterly, house prices were up by 2.51% during the latest quarter.

In addition to strong local demand, foreign investor participation in Mauritius is steadily increasing. To further attract investment in high-end residential properties, the government has introduced several real estate schemes, many of which grant eligibility for a residence permit. The overall economy expanded by 4.7% during 2024 and is projected to grow further by 3.2% this year and another 3.4% in 2026.

South Africa’s housing market is now recovering, after having been depressed for most of the past eight years. The price index for medium-sized apartments rose slightly by 0.95% in Q2 2025 from a year earlier, in stark contrast with the year-on-year decline of 4.35% in Q2 2025. In fact, it was its first quarter of growth since Q3 2021. In nominal terms, the price increase is more pronounced, at 4%. Quarterly, inflation-adjusted house prices were also up by 1.2% during the latest quarter.

Yet overall economic activity in SA remains subdued. During 2024, the economy grew by a miniscule 0.5%, following annual expansions of 0.7% in 2023, 1.9% in 2022, and 5% in 2021, amidst election-related uncertainty and severe droughts. The economy will likely post another meager growth of 1.1% this year and 1.2% in 2026.

Global Property Guide

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