

## EUROPEAN COUNTRIES RISE UP GLOBAL HOUSE PRICE RANKINGS

The latest house price rankings provide a glimpse as to where the world's housing markets are in relation to their property market cycles, as the era of economic stimulus comes to a close and rate rises occupy the minds of policymakers in several key western markets.

### Results for Q4 2017

The Knight Frank Global House Price Index increased by 4.6% in 2017.

House prices increased in 85% of the countries tracked in 2017

Iceland and Hong Kong continue to lead the index but their rate of growth has slowed

Seven European countries now sit within the top ten rankings

Russia, Peru and Ukraine registered the weakest growth in 2017

As market transparency improves around the world, we are widening our coverage. This quarter we have added data for three new countries – Macedonia, Peru and Serbia – taking the total number of countries tracked to 59.



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“The gap between the strongest and weakest-performing housing market has narrowed from 27 percentage points last quarter to 20.”

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The Global House Price Index, which tracks the movement in mainstream house prices on a country basis, ended 2017 4.6% higher. Lower than 2016's 5.3% but a reflection of steady growth nonetheless, tied primarily to the fact the global economy registered growth of 3.7% in 2017.

That is not to say there aren't headwinds. Rising interest rates in the US, UK, and Canada as well as the withdrawal of stimulus is influencing buyer sentiment, and with over 13 countries pegged to the US dollar, further rate rises by the Federal Reserve will have repercussions beyond US shores.

The index's more moderate rate of growth is reflected throughout the rankings. The gap between the strongest and weakest-performing housing market has narrowed from 27 percentage points last quarter to 20.

Iceland and Hong Kong still occupy first and second position but their rates of annual growth have slipped from 20% to 15% and from 18% to 14% respectively since last quarter.

Mirroring a trend seen in our prime residential indices, European countries are rising up the rankings. Seven of the top ten rankings equate to European countries this quarter. Alongside Iceland, these include the Czech Republic, Hungary, Ireland, Serbia, Bulgaria and Latvia; all registering annual growth in excess of 9% in 2017.

In terms of the world's largest economies, the US (6.3%) has overtaken China (5.8%) this quarter as GDP and employment figures boost market sentiment. In China, although tighter capital controls are limiting cross-border flows, policy levers at home are having some success stemming its tide into domestic markets.

The strong performance of the US and Canada (8.9%) means North America outpaces all other world regions in 2017, recording average price growth of 7.5% (figure 4). With a raft of new measures announced to curb Vancouver's price inflation and further rate rises mooted we may see Canada shift down the rankings during 2018.

Russia and the CIS remains the weakest-performing world region with prices falling on average by 4% in 2017.

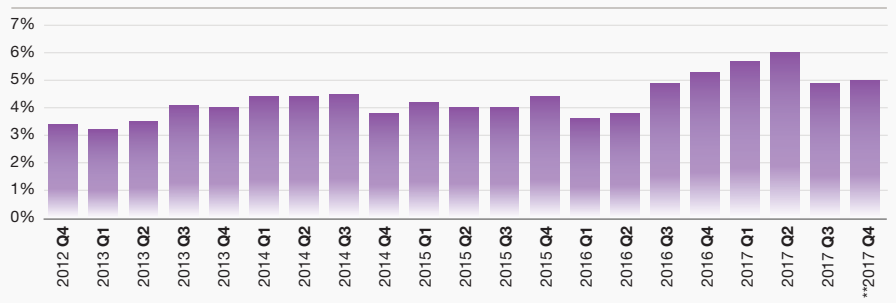
For several years, Australia and New Zealand's markets moved largely in tandem, but they have now diverged. Australia sits in 12th place with growth of 8.3% year-on-year, whilst New Zealand, at 3.2%, has sunk to 42nd place, no doubt, influenced by plans to halt the purchase of existing homes by foreign buyers.

With 2018 set to see the normalisation of monetary policy, albeit at a gradual rate, it's likely that the index's performance may moderate further in the coming months.

FIGURE 1

### Global House Price Index Q4 2017

Annual performance over the last five years\*



Source: See final page \*Weighted by PPP \*\* Provisional

FIGURE 2  
Global House Price Index

Tracking mainstream residential prices across 59 countries



Source: See full source list on page 3  
\* or latest data available

FIGURE 3  
European risers

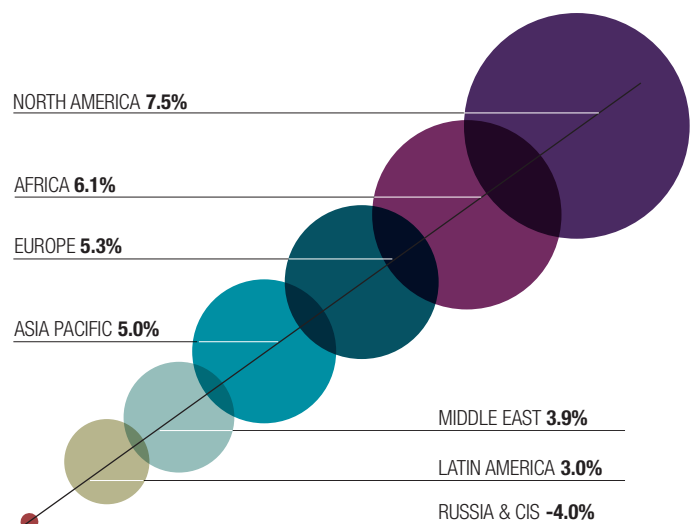
Annual growth at Q4 2016 and Q4 2017 for all European countries in our top 10



Source: See full source list on page 3

FIGURE 4  
North America on top

Average of 12-month % change, Q4 2016-Q4 2017\*



Source: See full source list on page 3  
\*or latest available data

# GLOBAL HOUSE PRICE INDEX Q4 2017

## Knight Frank Global House Price Index, Q4 2017

Ranked by annual % change

Rank	Country/ Territory	12-month % change (Q4 2016-Q4 2017)	6-month % change (Q2 2017-Q4 2017)	3-month % change (Q3 2017- Q4 2017)	Market direction*
1	Iceland	15.0%	3.0%	-0.5%	↑
2	Hong Kong**	13.7%	4.5%	2.6%	↑
3	Czech Republic***	12.3%	4.1%	1.6%	↑
4	Ireland	12.3%	7.3%	1.8%	↑
5	Turkey	11.2%	5.3%	2.1%	↑
6	Serbia **New**	11.0%	-4.0%	0.0%	↑
7	Hungary	10.0%	5.3%	2.2%	↑
8	Latvia	9.5%	6.5%	0.8%	↑
9	Bulgaria	9.0%	4.4%	2.0%	↑
10	Canada	8.9%	0.5%	-1.3%	↑
11	Malta***	8.8%	6.8%	4.7%	↑
12	Australia	8.3%	1.7%	-0.2%	↑
13	Netherlands	8.3%	3.8%	1.6%	↑
14	Sweden**	8.0%	2.5%	0.4%	↑
15	Slovenia	7.9%	4.7%	0.4%	↑
16	Mexico	7.4%	2.9%	2.6%	↑
17	Morocco	7.1%	4.5%	1.8%	↑
18	Chile	6.7%	1.1%	-0.7%	↑
19	United States	6.3%	1.9%	0.5%	↑
20	Romania	6.2%	3.2%	-1.6%	↑
21	Colombia	6.1%	3.0%	0.9%	↑
22	China	5.8%	2.0%	1.1%	↑
23	Taiwan	5.7%	2.2%	1.1%	↑
24	United Kingdom	5.2%	2.1%	0.5%	↑
25	South Africa	5.1%	1.6%	1.0%	↑
26	Malaysia	5.1%	2.3%	0.7%	↑
27	Luxembourg	5.0%	2.3%	0.1%	↑
28	Estonia	4.7%	3.7%	3.4%	↑
29	Japan	4.7%	1.2%	1.4%	↑
30	Austria	4.7%	0.5%	0.6%	↑
31	Portugal	4.5%	3.4%	1.3%	↑
32	Slovakia	4.3%	-0.7%	-1.3%	↑
33	Denmark	4.0%	3.1%	0.5%	↑
34	Belgium	3.9%	2.2%	3.0%	↑
35	France	3.9%	2.4%	0.0%	↑
36	Croatia	3.8%	4.2%	0.6%	↑
37	Lithuania	3.7%	6.9%	5.5%	↑
38	Germany	3.6%	3.3%	1.3%	↑
39	Jersey	3.5%	4.0%	2.8%	↑
40	Indonesia	3.5%	1.1%	0.5%	↑
41	Macedonia **New**	3.5%	5.3%	3.2%	↑
42	New Zealand	3.2%	2.0%	0.8%	↑
43	Spain	3.1%	1.9%	1.2%	↑
44	Israel	2.6%	2.0%	0.5%	↑
45	Switzerland	2.6%	1.4%	0.9%	↑
46	India	2.4%	3.0%	3.9%	↑
47	Cyprus	1.4%	0.8%	0.3%	↑
48	Singapore****	1.3%	1.4%	0.8%	↑
49	South Korea	1.2%	0.9%	0.3%	↑
50	Norway	0.7%	-4.0%	-1.7%	↑
51	Greece	-0.2%	0.3%	0.5%	↑
52	Brazil	-0.7%	-0.5%	-0.1%	↑
53	Italy	-0.8%	-0.3%	-0.5%	↑
54	Poland	-0.9%	1.5%	-1.0%	↑
55	Finland	-1.5%	0.3%	-2.3%	↑
56	Saudi Arabia	-2.2%	0.2%	-0.2%	↑
57	Russia	-3.0%	-0.8%	0.1%	↑
58	Peru **New**	-4.2%	-1.4%	-1.6%	↑
59	Ukraine	-5.1%	-4.5%	-1.3%	↑

Source: See right hand panel

\*Direction of annual price growth compared to previous quarter \*\* Provisional \*\*\*Asking prices \*\*\*\* Island-wide price index for non-landed properties  
Data for Australia, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Israel, Italy, Latvia, Luxembourg, Japan  
Malaysia, New Zealand, Poland, Romania, Serbia, Slovenia and Turkey is to Q3 2017; data for Hungary is to Q2 2017; data for Morocco is to Q1 2017.

## DATA DIGEST

The Knight Frank Global House Price Index established in 2006 allows investors and developers to monitor and compare the performance of mainstream residential markets around the world. The index is compiled on a quarterly basis using official government statistics or central bank data where available. The index's overall performance is weighted by GDP on a Purchasing Power Parity basis and the latest quarter's data is provisional pending the release of all the countries' results.

Source: Knight Frank Research; Macrobond, Bank for International Settlements; Eurostat; Australian Bureau of Statistics; OeNB; Statbel; FIPE; Bulgarian National Statistical Institute; Teranet in alliance with National Bank of Canada; Chilean Chamber of Construction; China National Bureau of Statistics (NBS); DANE; Croatian Bureau of Statistics; Central Bank of Cyprus; Czech Statistics Office; Statistics Denmark; Statistics Estonia; Statistics Finland; INSEE; Federal Statistical Office of Germany; Bank of Greece; Hong Kong Rating & Valuation Department; Hungarian Central Statistical Office; Statistics Iceland; India National Housing Bank; Bank of Indonesia; Irish Department of Environment, Heritage and Local Government; Israel Central Bureau of Statistics; Italian National Institute of Statistics; Japan's Ministry of Land, Infrastructure, Transport and Tourism; States of Jersey Statistics Unit; Central Statistics Latvia; Lithuania State Enterprise Centre of Registers; STATEC; Macedonian Statistical Office; Malaysian Valuation & Property Services Department; Central Bank of Malta; Mexican Federal Mortgage Company (SHF Sociedad Hipotecaria Federal); Central Bank of Morocco; Statistics Netherlands; Quotabel Value LTD and Reserve Bank of New Zealand; Statistics Norway; Central Reserve Bank of Peru; Polish Central Statistical Office (GUS); Portuguese National Statistics Institute (INE); Romanian Statistics Office; Rosstat; Saudi Arabian Central Department of Statistics & Information (CDSI); Serbian Statistical Office; Singapore Urban Redevelopment Authority (URA); National Bank of Slovakia; Slovenian Statistical Office; First National Bank; Government of South Korea; Spanish Ministry of Development; Statistics Sweden; Swiss National Bank/Wuest & Partner; Taiwan Ministry of the Interior; Central Bank of the Republic of Turkey (TCMB); Blagovest; HM Land Registry; S&P Case Shiller

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