



# News Release

Date: 21<sup>st</sup> April 2010

## **Knight Frank Global House Price Index – Quarter 4 2009**

### **Key highlights:**

- **Prices increased in almost half of the locations in the Knight Frank Global House Price Index in 2009**
- **Asia Pacific saw the strongest growth with prices increasing by 8% on average**
- **Prices around the world, however, fell on average by 3.8%**
- **The country with the highest growth was Hong Kong with prices rising by nearly 30%**
- **Three locations saw price falls by more than 40%: Estonia -40%, Dubai -42% and Latvia -50%)**

### **Liam Bailey, head of residential research, Knight Frank, commented:**

“The recovery in global housing markets is still proving somewhat shaky. Although a number of locations saw staggering growth of up to 28% in 2009, prices were still falling in almost half of the countries in our index during the final three months of the year.

“There remains a very clear polarisation between the locations at the top and bottom of our table. Five countries posted double-digit growth last year, but nine actually saw prices fall by over 10%.

“Prices in Hong Kong and Mainland China increased by over 25%, driven upwards by a massive injection of liquidity into the economy by the Chinese government’s fiscal stimulus package. Prices do appear to be levelling off though with final quarter increases of only 2.9% in Hong Kong.

“The Australian economy has also benefited from China’s rapid recovery from the global recession and the country’s house prices increased by 13.6%, with particularly strong growth of 5.2% in the final quarter of the year.

“A continuing desire by Israelis to invest in property rather than equities, other less tangible asset classes and low yielding deposit accounts helped push overall price growth during 2009 up by 21.3%. According to the Jewish Chronicle 50% of Israeli houses are being purchased as second homes.

“At the other end of the scale, Ukraine and the Baltic states (Estonia, Latvia and Lithuania), as well as Ireland and Dubai, continue to be hit hard by the fall out from the credit crunch and prices corrected sharply last year. The positive news for these locations is that prices do seem to have stabilised with most reporting minimal falls or even slight growth in the final three months of the year.

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In Ireland, however, impact of the credit crunch continues to be felt and prices slid a further 8.3% in the last quarter.

“Interestingly, a number of countries that recorded tentative growth earlier in the year saw prices fall back again slightly in the final quarter as their economic recovery wobbled. In the US for example, prices rose on average by almost 3% overall in the second half of 2009, but actually fell by 0.6% in the last quarter.

“Generally, however, most locations were seeing only very moderate falls by the end of the year. This suggests that 2010 could mark the beginning of the recovery for those countries where prices were still falling last year. There are, of course, large question marks still hanging over a number of economies, particularly in Europe, as the true impact of the credit crunch continues to unravel. We should not take anything for granted, yet.”

## Knight Frank Global House Price Index, Quarter 4 2009

Rank	Country	World Region	Annual price growth to Q4 2009	Six monthly price growth to Q4 2009	Quarterly price growth to Q4 2009	Countries yet to report Q4 2009 data
1	Hong Kong	Asia Pacific	27.6%	10.4%	2.9%	
2	Mainland China	Asia Pacific	25.1%	NA	NA	
3	Israel	Middle East	21.3%	6.4%	3.1%	
4	Australia	Asia Pacific	13.6%	9.8%	5.2%	
5	Norway	Europe	11.6%	1.8%	0.0%	
6	Finland	Europe	7.8%	5.6%	2.7%	
7	Switzerland	Europe	6.9%	2.6%	1.1%	
8	Colombia	South America	6.7%	1.9%	0.6%	*
9	New Zealand	Asia Pacific	6.4%	0.6%	1.5%	
10	Sweden	Europe	5.8%	5.4%	2.4%	
11	South Africa	Africa	5.6%	6.9%	2.2%	
12	Canada	North America	5.2%	8.4%	3.3%	
13	Austria	Europe	5.2%	3.8%	-2.1%	*
14	Jersey	Europe	3.6%	2.0%	0.1%	
15	United Kingdom	Europe	3.4%	5.2%	1.6%	
16	Luxembourg	Europe	2.4%	1.9%	0.0%	
17	India	Asia Pacific	2.2%	0.4%	0.2%	**
18	Indonesia	Asia Pacific	2.0%	0.8%	0.4%	
19	Hungary	Europe	1.7%	2.8%	-0.1%	
20	Belgium	Europe	0.9%	0.5%	0.8%	*
21	Singapore	Asia Pacific	0.5%	24.3%	7.2%	
22	Malaysia	Asia Pacific	0.4%	0.3%	-0.2%	**
23	Portugal	Europe	0.2%	-1.2%	-0.9%	
24	Poland	Europe	0.0%	0.0%	-1.2%	

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25	Malta	Europe	-1.4%	0.0%	-0.5%	
26	Germany	Europe	-1.7%	2.0%	-0.6%	
27	Netherlands	Europe	-2.0%	0.9%	-0.9%	
28	United States	North America	-3.1%	2.8%	-0.6%	
29	Greece	Europe	-3.6%	-0.9%	-0.7%	
30	Japan	Asia Pacific	-4.0%	-2.0%	-1.0%	*
31	Italy	Europe	-4.2%	-1.7%	-0.9%	
32	France	Europe	-4.4%	2.3%	0.4%	
33	Spain	Europe	-6.3%	-1.5%	-0.6%	
34	Czech Republic	Europe	-8.0%	-4.4%	-2.0%	
35	Denmark	Europe	-8.1%	3.7%	-0.8%	
36	Iceland	Europe	-8.3%	0.0%	1.7%	
37	Russia	Europe	-9.1%	-4.9%	-2.7%	*
38	Croatia	Europe	-9.4%	-6.4%	-3.4%	
39	Slovak Republic	Europe	-12.3%	-3.4%	-1.9%	
40	Slovenia	Europe	-15.7%	-3.5%	0.2%	
41	Ireland	Europe	-18.5%	-11.7%	-8.3%	
42	Bulgaria	Europe	-26.3%	-6.8%	-1.9%	
43	Lithuania	Europe	-32.1%	-6.8%	-1.5%	
44	Ukraine	Europe	-35.7%	2.5%	-0.3%	
45	Estonia	Europe	-40.3%	-18.5%	0.4%	
46	Dubai, UAE	Middle East	-42.1%	6.1%	0.7%	
47	Latvia	Europe	-49.8%	2.6%	7.0%	

\*\*Q2 2009 data

\*Q3 2009 data

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## Notes to Editors

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The Knight Frank Global House Price Index is compiled using official government statistical office or central bank data where possible. In some instances reliable indices from third-party sources have been used.

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