

---

# **GLOBAL RESIDENTIAL REAL ESTATE MARKET REPORT Q1 2023**

---





# Introduction

After several years of strong house price growth, it now becomes more evident that the world's housing markets are losing steam. This is not surprising given the combined adverse effects of reduced purchasing power caused by soaring inflation, record-high borrowing costs due to interest rate hikes, and global economic slowdown.

When adjusted for inflation, house prices have risen in only 19, and actually declined in 42 markets which have so far published housing statistics in Q1 2023. In fact US house prices have started to decline, after a decade-long strong house price growth.

However, high inflation in most countries creates an impression that house prices continue to rise strongly (or the decline is just modest), with nominal house prices still rising in 42 countries, and declined in only 19 of the 61 world's housing markets during the year to Q1 2023. For instance, in Pakistan, nominal house prices rose by a huge 23.67% year-on-year in Q1 2023 but in real terms, prices have actually dropped 8.66%. Likewise in Egypt, house prices surged by 22.28%, however if we adjust for inflation, real prices have actually declined by 7.85%

In terms of momentum, most of the world's property markets are now slowing rapidly. Momentum is visibly weaker in real terms: only 18 out of the 61 world's housing markets showed stronger momentum in Q1 2023 than last year, while the remaining 43 housing markets showed 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 (or fallen less).



HOUSE PRICE CHANGE (NOMINAL)			
	year-on-year (%)		q-o-q (%)
	Q1 2022	Q1 2023	Q1 2023
Turkey	109.97	132.89	22.12
Sri Lanka (Colombo)	-4.83	24.75	0.04
Pakistan	5.60	23.67	6.38
Egypt	12.24	22.28	6.87
North Macedonia	12.37	18.76	1.29
Portugal	15.27	17.18	3.40
Lithuania	21.15	15.51	0.13
Iceland	19.08	13.35	-0.61
UAE (Dubai)	11.31	12.75	5.62
Estonia	14.36	12.05	-2.88
Mexico	7.71	11.69	3.21
Singapore	7.77	11.44	3.29
Georgia	3.38	10.66	0.93
Malta	1.66	10.51	7.34
Vietnam (HCMC)	18.17	10.32	2.70
Chile	14.32	9.80	-0.24
Israel	5.67	9.34	0.96
Spain	1.46	7.35	2.91
Japan (Tokyo)	10.81	6.77	-0.16
Montenegro	3.77	6.01	-4.15
Taiwan	14.07	5.03	1.25
Thailand	4.17	4.80	0.58
Brazil (Sao Paulo)	4.19	4.80	1.05
Puerto Rico	-2.30	4.76	0.40
US (FHFA)	18.79	4.28	0.49
Philippines (Makati CBD)	-2.81	3.94	1.36
Ireland	15.04	3.94	-1.54
Switzerland	1.40	3.92	0.75
China (Beijing)	7.10	3.75	2.42
Romania	12.30	3.24	2.36
France	7.34	2.69	-0.15
South Africa	4.20	2.10	-0.36
India (Delhi)	3.16	2.04	0.00
Malaysia	2.39	2.04	-1.36
Slovak Republic	23.34	1.83	-3.95
Italy	1.45	1.82	0.22
Jersey	16.44	1.82	-4.90
Indonesia	1.77	1.79	0.47
Ukraine (Kiev)	1.85	1.72	0.54
Saudi Arabia	1.49	1.59	-0.19
Russia	32.50	1.14	-3.68
Austria (Vienna)	11.85	0.81	-0.16
US (Case-Shiller)	20.76	0.63	0.41
Norway	7.19	-0.07	1.89
Morocco	-5.44	-0.10	-0.08
Cambodia (Phnom Penh)	-14.71	-0.91	0.00
UK (Nationwide)	12.57	-1.02	-2.67
Denmark	8.21	-1.74	-0.98
Netherlands	19.49	-2.34	-0.55
Qatar	2.92	-2.69	-4.90
Macau	-0.54	-4.16	0.73
Latvia (Riga)	16.65	-4.62	-0.76
Finland	4.41	-4.73	2.97
Canada	18.41	-4.78	-2.27
South Korea	15.02	-5.15	-2.86
Argentina (Buenos Aires)	-7.01	-5.41	-0.80
Colombia (Bogota)	-1.69	-6.50	-3.79
Australia (8 capital cities)	17.92	-6.51	-0.70
Hong Kong	-2.10	-7.87	4.99
Germany	13.50	-8.51	-0.52
Sweden	12.83	-8.84	-4.48
New Zealand	7.88	-12.92	-1.90

## LEGEND

↑ = more than 1 percentage point increase in house price change  
 ↗ = less than 1 percentage point increase in house price change  
 ↓ = more than 1 percentage point decrease in house price change  
 ↘ = less than 1 percentage point decrease in house price change  
 compared to same period of last year

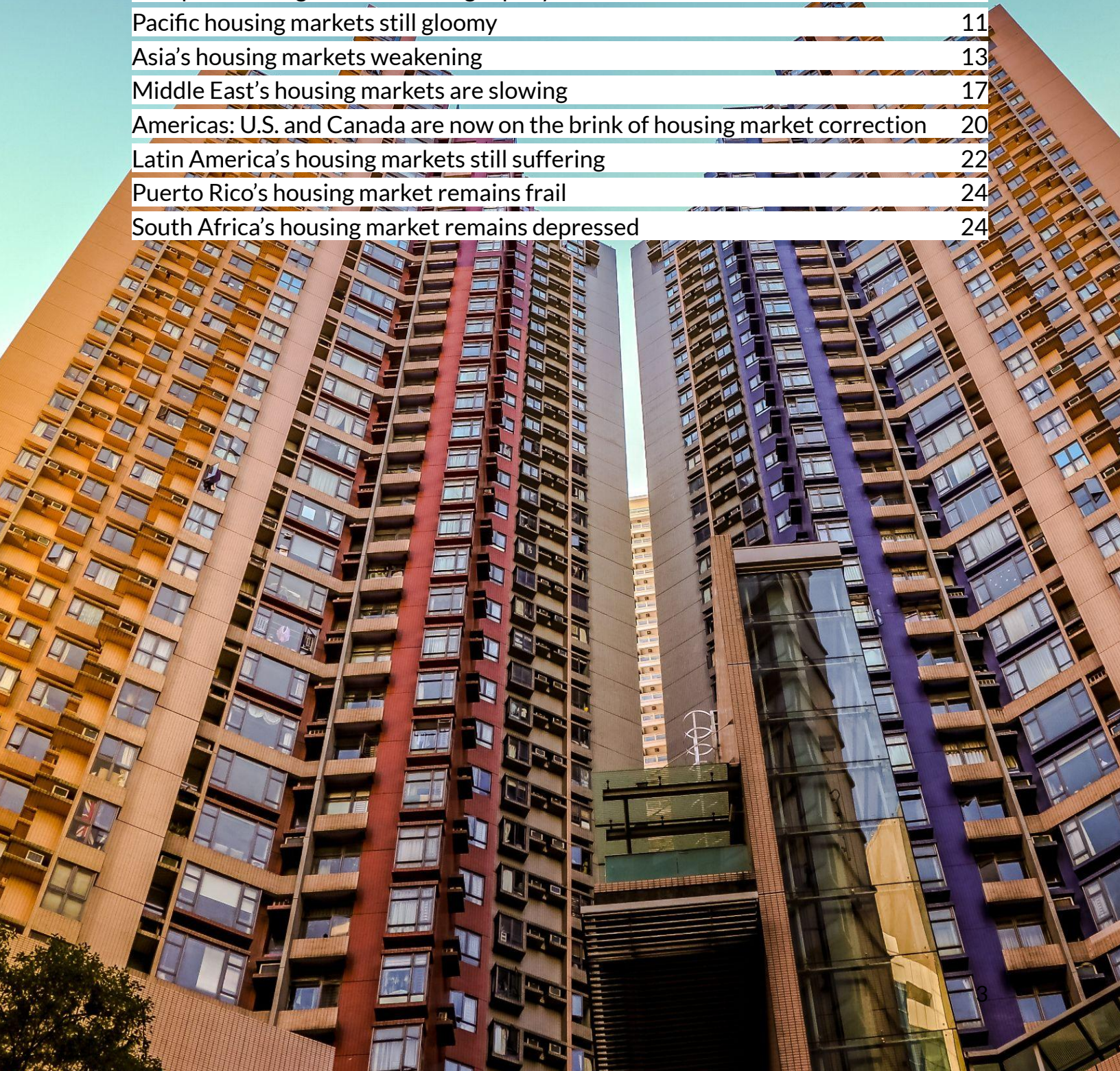
HOUSE PRICE CHANGE (INFLATION-ADJUSTED)			
	year-on-year (%)		q-o-q (%)
	Q1 2022	Q1 2023	Q1 2023
Turkey	30.30	54.74	8.53
North Macedonia	5.45	12.65	4.82
Portugal	10.53	8.49	3.62
UAE (Dubai)	9.43	8.08	5.14
Vietnam (HCMC)	15.39	6.74	1.94
Singapore	2.22	5.59	1.99
Sri Lanka (Colombo)	-19.84	5.49	-3.76
Georgia	-7.57	5.07	0.74
Israel	2.23	3.95	-0.02
Mexico	0.41	3.94	1.59
Spain	-7.61	3.92	1.79
Japan (Tokyo)	9.49	3.40	-0.44
Iceland	11.64	3.23	-3.37
Malta	-2.76	3.19	5.43
China (Beijing)	5.53	3.05	2.42
Taiwan	10.49	2.62	0.72
Thailand	-1.48	1.92	0.61
Switzerland	-0.65	0.69	-0.26
Brazil (Sao Paulo)	-6.39	0.14	-1.02
Puerto Rico	-7.02	-0.29	-0.45
Lithuania	4.69	-0.95	-1.81
Chile	4.49	-1.17	-2.03
Malaysia	0.19	-1.34	-1.89
Saudi Arabia	-0.12	-1.38	-0.58
US (FHFA)	10.03	-1.44	-0.55
Cambodia (Phnom Penh)	-20.43	-1.48	-1.12
Russia	18.78	-2.28	-1.08
France	3.55	-3.12	-2.50
Indonesia	-0.51	-3.28	-0.50
Philippines (Makati CBD)	-6.53	-3.44	-0.06
Ireland	7.79	-3.46	-3.38
India (Delhi)	-2.14	-3.77	-0.38
Ukraine (Kiev)	-5.67	-3.86	-0.50
Montenegro	-5.49	-4.04	-4.37
US (Case-Shiller)	11.25	-4.15	-1.27
Estonia	1.35	-4.33	-4.39
South Africa	-1.83	-4.81	-2.00
Macau	-1.50	-4.98	0.32
Italy	-4.70	-5.38	0.39
Norway	3.26	-6.27	1.20
Qatar	-1.44	-6.44	-2.51
Netherlands	8.90	-6.46	-0.38
Morocco	-10.19	-7.50	-2.54
Egypt	1.57	-7.85	-6.74
Denmark	2.69	-7.94	-2.16
Romania	2.50	-7.95	-0.28
Pakistan	-6.30	-8.66	-4.98
Austria (Vienna)	5.68	-8.70	-1.99
Canada	11.01	-8.70	-3.66
South Korea	10.49	-8.98	-3.85
UK (Nationwide)	6.73	-9.19	-3.52
Hong Kong	-3.81	-9.36	4.19
Jersey	9.86	-9.65	-7.97
Slovak Republic	12.88	-11.53	-7.77
Finland	-0.47	-12.10	1.23
Australia (8 capital cities)	12.18	-12.59	-1.99
Germany	7.20	-14.81	-3.01
Colombia (Bogota)	-9.42	-17.50	-7.98
Sweden	7.81	-18.19	-5.89
New Zealand	0.93	-18.38	-3.09
Latvia (Riga)	4.64	-18.66	-2.59
Argentina (Buenos Aires)	-40.05	-53.70	-18.51

## LEGEND

↑ = more than 1 percentage point increase in house price change  
 ↗ = less than 1 percentage point increase in house price change  
 ↓ = more than 1 percentage point decrease in house price change  
 ↘ = less than 1 percentage point decrease in house price change  
 compared to same period of last year



During the year to Q1 2023	4
The World's Regions	6
Europe's housing markets cooling rapidly	6
Pacific housing markets still gloomy	11
Asia's housing markets weakening	13
Middle East's housing markets are slowing	17
Americas: U.S. and Canada are now on the brink of housing market correction	20
Latin America's housing markets still suffering	22
Puerto Rico's housing market remains frail	24
South Africa's housing market remains depressed	24







## During the year to Q1 2023

- In the United States, always a key market, house prices are now falling, after a decade-long housing boom, amidst falling demand and negative homebuilder sentiment. Canada is also showing a similar trend.
- Europe's housing markets are slowing sharply, with house prices rising in only 7 out of the 27 European countries included in our global survey in Q1 2023. Real house prices in key European markets such as Germany, UK, France and Italy are now falling.
- Pacific housing markets, which were previously booming, are now struggling. Australia and New Zealand are now experiencing sharp house price falls, amidst falling property demand.
- Asian housing markets are also losing steam. Real house prices have risen in only 8 of the 17 markets included in the survey and momentum is also weaker in most Asian countries. Hong Kong and South Korea saw the biggest y-o-y decline in house prices in the region.
- The Middle East remains weak, with house prices rising in only 2 of the 6 countries included in our global survey. In terms of momentum, only 2 countries performed better in Q1 2023 as compared to a year ago.
- Latin America's housing markets are still suffering. Argentina and Colombia are two of the five weakest housing markets in our global survey.

The strongest house price increases in our global survey during the year to Q1 2023 were seen in: **Turkey** (+54.74%), **North Macedonia** (+12.65%), **Portugal** (+8.49%), Dubai, **UAE** (+8.08%), and Ho Chi Minh City, **Vietnam** (+6.74%), using inflation-adjusted figures.

The biggest y-o-y house price decline was registered still in Buenos Aires, **Argentina** (-53.70%), followed by Riga, **Latvia** (-18.66%), **New Zealand** (-17.38%), **Sweden** (-18.19%), and Bogota, **Colombia** (-17.50%), again using inflation-adjusted figures.

In its April 2023 World Economic Outlook Update, the International Monetary Fund (IMF) expects the global economy to expand by 2.8% this year, slightly





lower than its earlier estimate of a 2.9% growth released in January, and a slowdown from expansions of 3.4% in 2022 and 6.1% in 2021. In fact, advanced economies are projected to post a meager growth of 1.3% this year. Accordingly, the continued rise in central bank interest rates to fight surging inflation, as well as Russia's invasion of Ukraine continue to weigh on economic activity.





# The World's Regions

## Europe's housing markets cooling rapidly

*House prices have risen in only 7 of the 27 European housing markets for which figures were available in Q1 2023. Also, only 7 countries had stronger momentum in Q1 2023 compared to a year earlier. Most European housing markets are now cooling rapidly, amidst slowing global demand, the ongoing Ukraine crisis and supply chain disruptions. A notable exception is Turkey.*

[Turkey](#) is still the strongest housing market in our global house price survey, buoyed by strong demand from both local and foreign investors. The nationwide house price index rose by a spectacular 54.74% in Q1 2023 from a year earlier, following year-on-year increases of 63.06% in Q4 2022, 57.58% in Q3, 45.94% in Q2 and 30.30% in Q1. In fact in nominal terms, prices skyrocketed by almost 133%. On a quarterly basis, real house prices were up by 8.53% in Q1 2023.

Turkish President Tayyip Erdogan introduced an economic plan that prioritizes growth, investment, employment, and exports, pushed by a series of unorthodox interest rate cuts. The plan sparked hyperinflation and a currency crisis, with the nationwide inflation rate skyrocketing to an average of 73% in 2022 – the highest level since 1998. Inflation finally decelerated, but remains high, at 39.59% in April 2023. The value of the lira against the dollar tumbled by 44% in 2021, by 27% last year and by another 15% in the first half of 2023 – its worst since Erdogan came to power nearly two decades ago. But for foreigners, the plunge in Turkey's currency value means that the property market is very attractively priced, luring many buyers from the Gulf.

Turkey's economy is projected to grow by a modest 2.7% this year, following expansions of 5% in 2022 and 11.4% in 2021, as inflation remains high following the lira's crash, and with the Ukraine crisis adversely impacting tourism.

[North Macedonia](#)'s housing market remains healthy, with nationwide residential property prices rising strongly by 12.65% in Q1 2023 from a year



earlier, a sharp acceleration from the prior year's 5.45% increase. Quarter-on-quarter, prices were up by 4.82% in Q1 2023.

The government's decision to officially change the country's name from "Macedonia" to "North Macedonia" under the name deal with Greece in 2019 solved the long-standing dispute between the neighboring countries and opened the way for NATO and EU integration. North Macedonia became an official member state of NATO on March 27, 2020 and its EU accession talks have finally begun. After expanding by 3.9% in 2021 and 2.2% in 2020, the economy will slow this year, with a projected real GDP growth rate of just 1.4%, based on IMF estimates.

[Portugal](#)'s housing market remains fundamentally strong, amidst strong demand coupled with a supply shortage. Nationwide property prices rose by 8.49% during the year to Q1 2023, following year-on-year increases of 8.33% in Q4 2022, 10.06% in Q3, 8.89% in Q2, and 10.53% in Q1. On a quarterly basis, prices were up by 3.62% during the latest quarter.



As a response to strong demand, licensed dwelling permits in Portugal rose by 5.9% to 30,189 units in 2022, following annual growth of 11% in 2021 and 2.6% in 2020, according to the Instituto Nacional de Estatística (INE). Then in Q1 2023, dwelling permits increased by another 7.1% y-o-y to 8,752 units. Though overall economic growth is projected to slow to 1.8% this year, sharply down





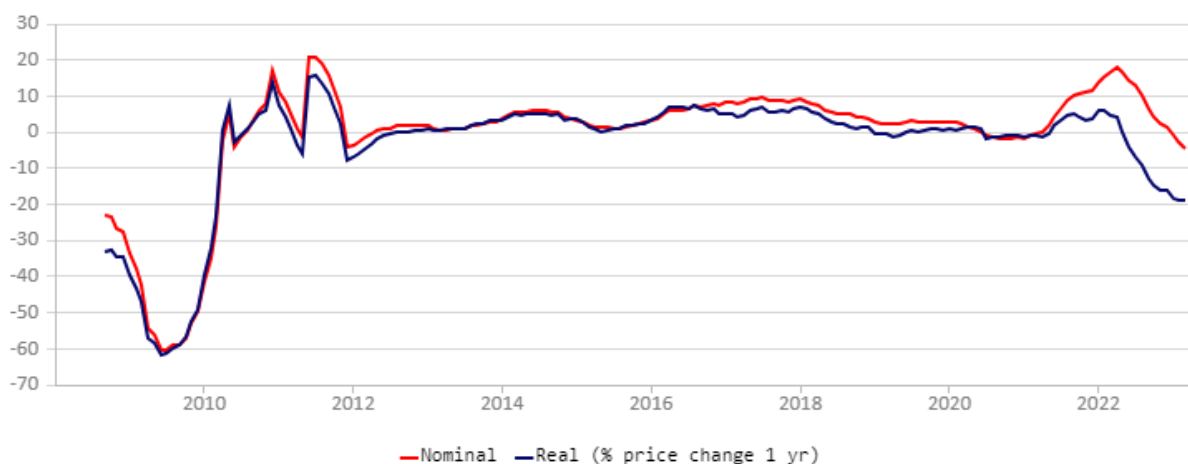
from 6.7% in 2022 and 5.5% in 2021, amidst high inflation and rising interest rates, according to Bank of Portugal.

Modest to minimal house price increases were seen in [Spain](#) (3.92%), [Iceland](#) (3.23%), [Malta](#) (3.19%), and [Switzerland](#) (0.69%). All, except Iceland, had stronger performances in Q1 2023 compared to a year earlier. Though, Iceland and Switzerland saw quarter-on-quarter price declines during the latest quarter.

## Most of Europe is now cooling rapidly

[Latvia](#)'s housing market woes continue, with the inflation-adjusted average apartment prices in Riga falling by a huge 18.66% during the year to Q1 2023, in contrast to the previous year's 4.64% increase. Though in nominal terms, the house price fall is much more modest, at 4.62% y-o-y in Q1 2023.

Quarter-on-quarter, real house prices in the capital city were down by 2.59% in Q1 2023.



Demand is falling sharply, with the number of property transactions in Q1 2023 plummeting by 43% q-o-q in the housing estates of Riga and by 12% in the city centre, according to Arco Real Estate. On an annual basis, transactions in housing estates fell sharply by 40% in Q1 2023. Latvia's economy is projected to expand by a miniscule 0.5% this year, following growths of 1.8% in 2022 and



4.5% in 2021, based on forecasts released by Latvijas Banka, the country's central bank.

[Sweden](#)'s house prices are now in freefall, amidst slowing economy, rising interest rates and soaring inflation. The nationwide residential property price index fell sharply by 18.19% in Q1 2023 from a year ago, in stark contrast to a y-o-y increase of 7.81% in Q1 2022. Quarter-on-quarter, prices fell by 5.89% in Q1 2023.

Demand continues to fall. In Q1 2023, the total number of sold one- and two-dwelling buildings in Sweden fell to 9,683 units, down by 23.1% from the previous quarter and by 18.4% from a year ago. The Swedish economy is projected to contract by 0.5% this year, after expanding by 2.6% in 2022, according to the European Commission.

[Germany](#)'s housing market conditions are deteriorating fast, as higher mortgage interest rates and rising inflationary pressures have compounded affordability constraints. The average price of apartments fell by a huge 14.81% (inflation-adjusted) during the year to Q1 2023, in stark contrast to the previous year's 7.2% growth and its worst showing in recent history. On a quarterly basis, real house prices declined 3.01% in Q1 2023. Until last year, Germany's housing market has been growing continuously since 2014, with house prices up by more than 70%.

The German economy is expected to suffer another mild contraction in early-2023, amidst the continuous increase in energy prices for households caused by the disruption in gas deliveries from Russia and the slowdown in export growth due to weak foreign demand. As a result, the European Commission expects Europe's biggest economy to grow by a miniscule 0.2% this year, after expanding by 1.8% in 2022 and 2.6% in 2021.

The [UK](#)'s housing market continues to lose steam, amidst slowing economic growth. Real house prices fell by a huge 9.19% in Q1 2023 from a year earlier, in stark contrast to the annual growth of 6.73% in Q1 2022. It was its biggest year-on-year decline since Q2 2009. Quarter-on-quarter, real house prices fell





by 3.52% during the latest quarter. Even in nominal terms, UK house prices declined by 1.02% during the year to Q1 2023, its first year-on-year fall since Q4 2012.

Demand is falling sharply, with residential property transactions (seasonally-adjusted) in the UK falling to 245,870 units in Q1 2023, down by 25.4% from the previous quarter and by 14.5% from a year earlier, according to HM Revenue & Customs. This followed a 14.9% decline during 2022. The central bank expects the UK economy to grow by a meager 0.25% this year and by 0.75% in 2024, a sharp slowdown from the robust expansions of 4% in 2022 and 7.6% in 2021. The International Monetary Fund (IMF) is even more pessimistic, projecting a contraction of 0.3% this year.

Other European housing markets which are also struggling include [Finland](#) with house prices falling by 12.1% y-o-y in Q1 2023, [Slovak Republic](#) (-11.53%), [Jersey](#) (-9.65%), Vienna, [Austria](#) (-8.7%), [Romania](#) (-7.95%), [Denmark](#) (-7.94%), [Netherlands](#) (-6.46%), and [Norway](#) (-6.27%). All recorded weaker performances in Q1 2023 from the previous year. All, except Finland and Norway, saw quarter-on-quarter price falls in Q1 2023.

Moderate to minimal house price falls were recorded in [Italy](#) (-5.38%), [Estonia](#) (-4.33%), [Montenegro](#) (-4.04%), Kiev, [Ukraine](#) (-3.86%), [Ireland](#) (-3.46%), [France](#) (-3.12%), [Russia](#) (-2.28%), and [Lithuania](#) (-0.95%). All, except Ukraine and Montenegro, had weaker performances in Q1 2023 as compared to a year earlier. All, except Italy, saw quarterly price falls during the latest quarter.



## Pacific housing markets still gloomy

*House prices in the Pacific region continue to fall sharply, amidst slowing demand caused by rising interest rates and declining purchasing power of consumers caused by soaring inflation. In fact, New Zealand and Australia are now two of the weakest housing markets in our global house price survey.*

[Australia](#)'s housing market conditions continue to worsen, amidst falling demand and construction activity. Inflation-adjusted house prices in the country's eight major cities fell by a huge 12.59% in Q1 2023 from a year earlier, in sharp contrast to the previous year's strong growth of 12.18%. It was its biggest year-on-year decline in recent memory. Quarter-on-quarter, house prices dropped 1.99% in Q1 2023.

Both demand and supply are weakening. In Q1 2023, capital city home sales activity was about 7% below the previous 5-year average, according to CoreLogic. For the whole year of 2022, capital city sales were down by 16.5% relative to 2021 figures. Similarly, dwelling approvals plunged 21% y-o-y to 49,229 units in the first four months of 2023, following a decline of 16.1% in 2022 and an increase of 21.5% in 2021, according to the Australian Bureau of Statistics (ABS).

The Reserve Bank of Australia (RBA) expects the country to post minimal economic growth of 1.25% this year and 1.75% in 2024, after an expansion of 2.7% in 2022 and 5.9% in 2021.

[New Zealand](#)'s housing market outlook remains gloomy, amidst declining demand caused by rising borrowing costs. Median house prices dropped by a whopping 18.38% in Q1 2023 from a year earlier, in sharp contrast to a year-on-year growth of 0.93% in the previous year. In fact, it is now its worst performance in recent history. On a quarterly basis, real house prices dropped 3.09% in Q1 2023.

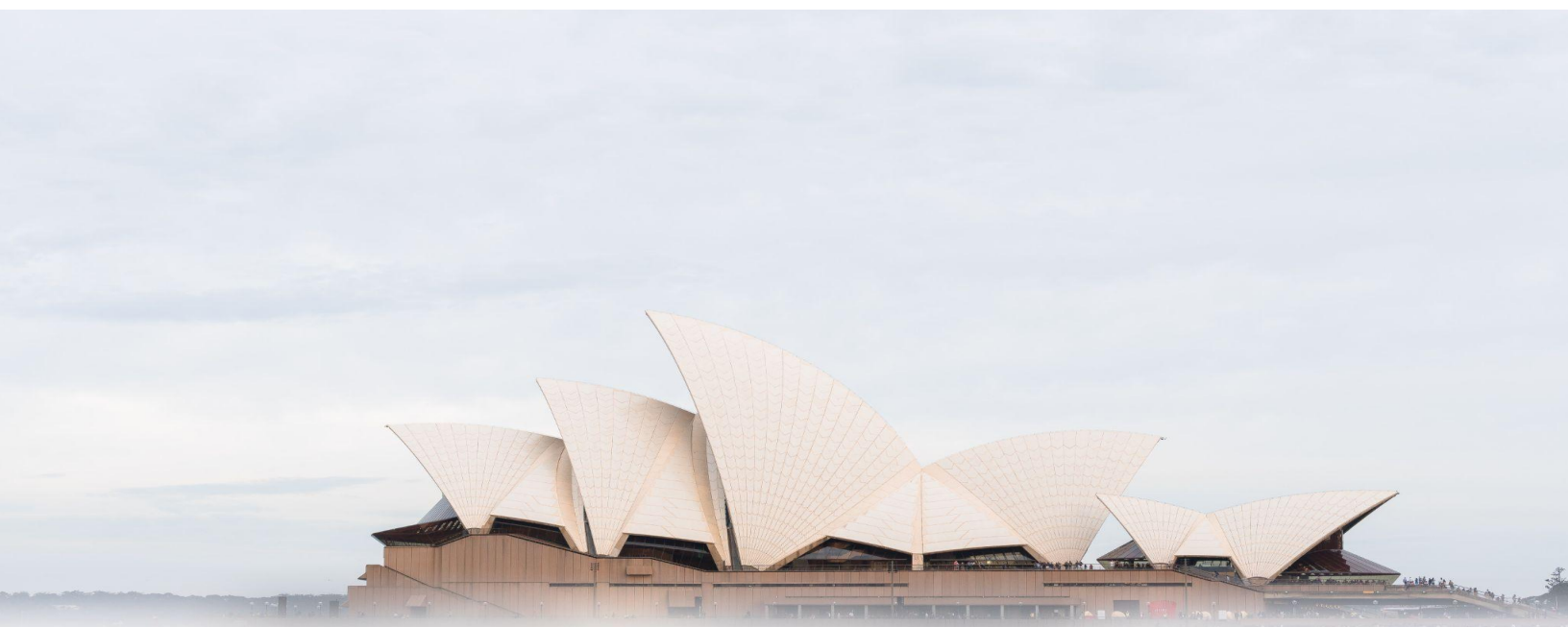
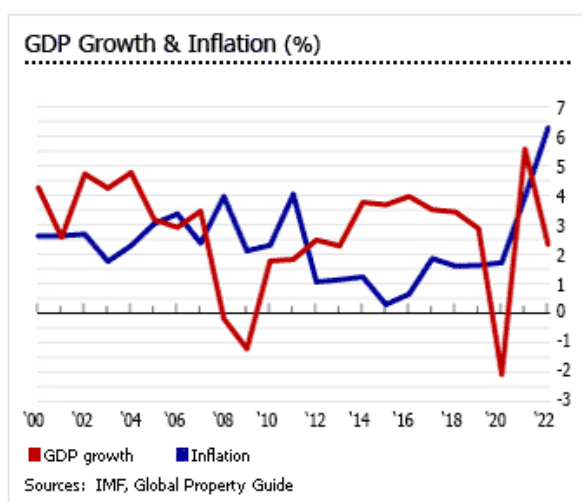
Residential property sales across New Zealand plunged 15.3% year-on-year to 4,262 units in April 2023, amidst the combined effects of rising interest rates,





high inflation, the recent changes to the Credit Contracts and Consumer Finance Act (CCCFA) lending rules, as well as global economic and geopolitical uncertainty, according to the Real Estate Institute of New Zealand (REINZ). The total number of properties available for sale nationally was 28,643 units in April 2023, up by 5.9% from a year ago.

New Zealand's economy is projected to grow by just 1.1% this year and 0.8% in 2024, a slowdown from expansions of 2.3% in 2022 and 5.6% in 2021, as rising interest rates and high inflation weigh on private consumption.





## Asia's housing markets weakening

*House prices rose in only 8 of the 17 Asian housing markets included in our global house price survey. Likewise, only 6 countries showed stronger momentum in Q1 2023 compared to a year earlier. Though sharp price improvements can be seen in Sri Lanka and Georgia.*

[Vietnam](#)'s property market growth is moderating, with apartment prices in Ho Chi Minh City rising by 6.74% in Q1 2023 from a year earlier, in inflation-adjusted terms. This was a sharp slowdown from the prior year's strong increase of 15.39% and the lowest growth since Q2 2021. Quarter-on-quarter, house prices increased 1.94% in Q1 2023.

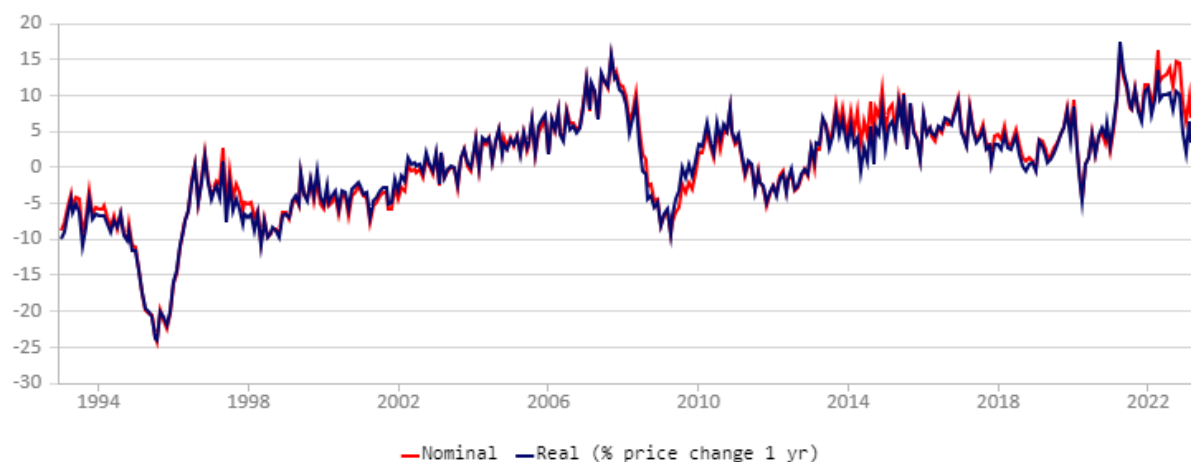
The Vietnamese economy grew by 3.32% in Q1 2023 from a year earlier, lower than the year-on-year expansions of 5.92% in Q4 2022, 13.71% in Q3, 7.83% in Q2 and 5.05% in Q1, as foreign demand declines amidst persistent cost pressures from the country's major trade partners. Despite this, the World Bank remains optimistic that Vietnam's economy will grow by a robust 6.3% this year and by another 6.5% in 2024, following expansions of 8.02% in 2022 and 2.58% in 2021.

[Singapore](#)'s house prices continue to rise, despite falling property demand. The nationwide inflation-adjusted house prices rose by 5.59% in Q1 2023 from a year earlier, following year-on-year increases of 2.05% in Q4 2022, 5.7% in Q3, 3.73% in Q2, and 2.22% in Q1. On a quarterly basis, real house prices increased by 1.99% during the latest quarter.

Nationwide home sales fell by a huge 22.9% y-o-y to 4,121 units in Q1 2023, following a decline of 34.8% in 2022 and a huge increase of 60.5% in 2021, based on figures from the Urban Redevelopment Authority (URA). Singapore registered a meager economic growth of just 0.4% in Q1 2023 as compared to a year ago, its lowest increase since a contraction in Q4 2020. The MTI expects the overall economy to grow by 0.5% to 2.5% this year.



[Japan](#)'s house prices continue to rise, albeit at a slower pace, amidst gradually falling demand. The average price of existing condominiums in Tokyo rose by a modest 3.4% in Q1 2023 from a year earlier, a slowdown from year-on-year increases of 4.8% in Q4 2022, 7.98% in Q3, 10.19% in Q2 and 9.49% in Q1. During the latest quarter, existing condo prices fell slightly by 0.44% q-o-q.



Sales of existing condominium units in Tokyo fell slightly by 1.1% y-o-y to 9,313 units in the first quarter of 2023, following a 10.8% decline in the full year of 2022. Likewise, sales of existing detached houses dropped 5.5% y-o-y to 4,397 units in Q1 2023, after falling by 13.1% in 2022. Recently, the IMF downgraded its 2023 economic growth forecast for Japan to 1.3%, from its earlier estimate of 1.8%.

Modest to minimal house prices increases were recorded in Colombo, [Sri Lanka](#) (5.49%), [Georgia](#) (5.07%), Beijing, [China](#) (3.05%), [Taiwan](#) (2.62%), and [Thailand](#) (1.92%). All, except Sri Lanka, recorded quarterly price rises in Q1 2023. All, except China and Taiwan, performed better in Q1 2023 as compared to a year earlier.





## Asia's weakest housing markets

[Hong Kong](#)'s house prices continue to fall, despite some improvements in demand. The inflation-adjusted residential property prices plunged by 9.36% in Q1 2023 from a year earlier, following y-o-y declines of 16.66% in Q4 2022, 13.26% in Q3, 4.88% in Q2, and 3.81% in Q1. Yet on a quarterly basis, house prices rose by a modest 4.19% in Q1 2023. After falling by 41.6% during 2022, the number of new properties sold soared by 62.8% y-o-y in Q1 2023. Likewise, existing property sales increased 34.6% in Q1 2023 from a year earlier, following a 38.7% decline during 2022.

Hong Kong's economy suffered a 3.5% contraction last year, following an expansion of 6.3% in 2021, and contractions of 6.5% in 2020 and 1.7% in 2019, as weakening global demand and strict Covid-19 restrictions hurt consumer spending and exports. The HK economy is projected to grow by between 3.5% and 5.5% this year, after the government unveiled a number of measures, including offering cash handouts to residents, cutting salaries tax, and attracting more workers and foreign investments.

[South Korea](#)'s housing market is now losing steam, after a surge in house prices in recent years. The slowdown can be primarily attributed to the recent introduction of stricter lending criteria and interest rate hikes. Inflation-adjusted house prices fell by 8.98% in Q1 2023 from a year earlier, a sharp turnaround from the previous year's 10.49% growth. In fact, it was its worst showing since Q1 1998. On a quarterly basis, real house prices dropped 3.85% in Q1 2023.

Even in nominal terms, Korean house prices declined by 5.15% in Q1 2023 from the previous year, the second consecutive quarter of year-on-year falls. After posting a meager growth of 0.9% in Q1 2023, the IMF lowered further its 2023 economic growth forecast for Korea to 1.5%, from its initial estimate of 2%, amidst continued global economic uncertainty.

Other weak Asian housing markets included [Pakistan](#), with house prices falling by 8.66% during the year to Q1 2023, followed by [Macau](#) (-4.98%), Delhi, [India](#)



(-3.77%), Makati CBD, [Philippines](#) (-3.44%), [Indonesia](#) (-3.28%), Phnom Penh, [Cambodia](#) (-1.48%), [Malaysia](#) (-1.34%). All, except Macau, recorded quarterly price falls during the latest quarter. All, except Cambodia and Philippines, performed much weaker in Q1 2023 as compared to a year earlier.

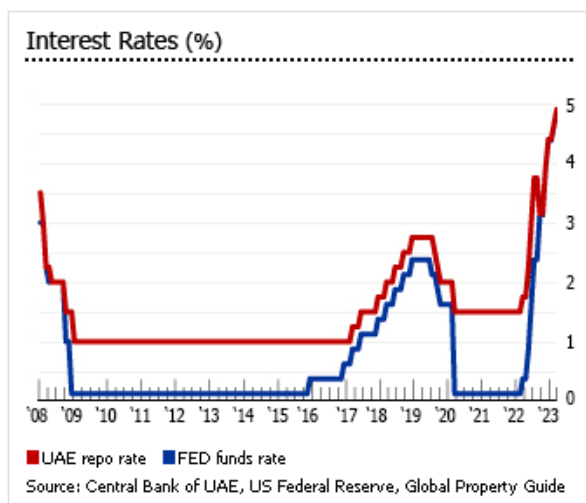




## Middle East's housing markets are slowing

*House prices rose in only 2 of the 6 Middle East housing markets included in our global house price survey. Likewise, only 2 countries showed stronger momentum in Q1 2023 as compared to the previous year.*

[UAE](#)'s housing market growth remains robust, with Dubai's residential property prices rising strongly by 8.08% during the year to Q1 2023, following a y-o-y increase of 9.43% in the previous year. On a quarterly basis, house prices in Dubai increased 5.14% in Q1. The overall economy is expected to expand by a modest 3.3% this year, following strong growth of 5.9% in 2022, amidst global economic slowdown due to high inflation, rising interest rates and reduced investments.



[Israel](#)'s housing market remains stable, with the nationwide average price of owner-occupied dwellings rising by 3.95% y-o-y in Q1 2023, an improvement from the 2.23% increase in the previous year. On a quarterly basis, Israeli house prices were more or less steady in Q1 2023. Israel's economic growth is projected to slow to 2.9% this year, from 6.1% in 2022 and 8.6% in 2021.

[Saudi Arabia](#)'s housing market remains fragile, with the residential real estate price index falling slightly by 1.38% during the year to Q1 2023, following slight

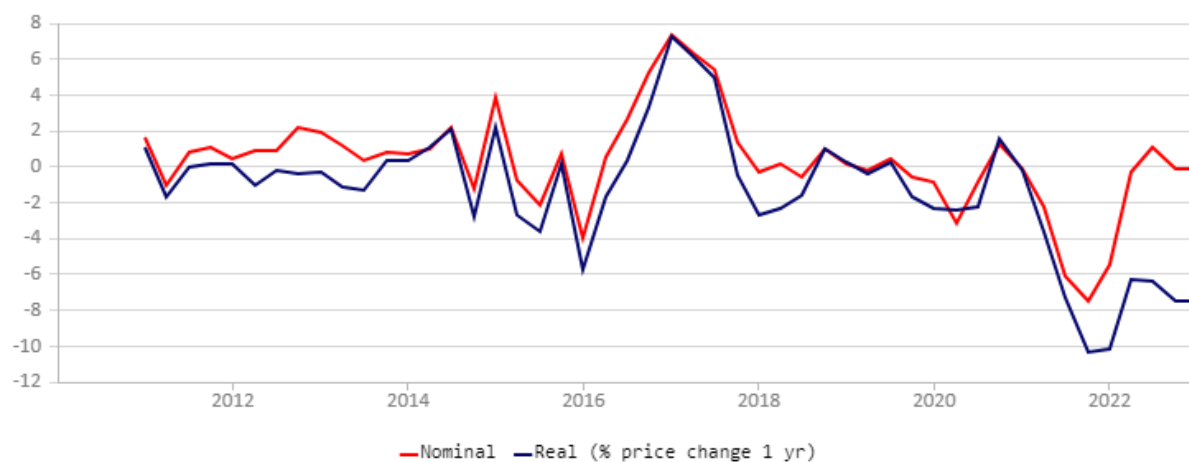




y-o-y declines of 0.43% in Q4 2022, 0.38% in Q3, 0.37% in Q2 and 0.12% in Q1. Quarter-on-quarter, prices were down 0.58% in Q1. The Kingdom's overall economy is projected to grow by 3.1% this year, a sharp slowdown from the previous year's robust growth of 8.7%.

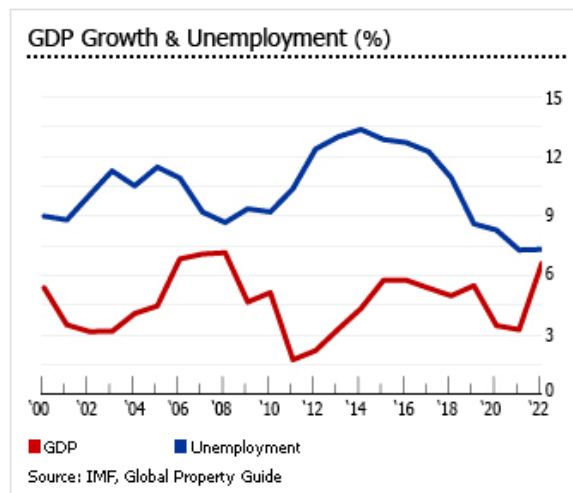
[Qatar](#)'s housing market conditions are worsening, with the nationwide real estate price index falling by 6.44% in Q1 2023 from a year earlier, worse than the previous quarter's 1.44% decline. On a quarterly basis, prices dropped by 2.51% during the latest quarter. The oversupply of residential properties in Qatar associated with the 2022 FIBA World Cup, coupled with slowing demand, is pulling down prices. In the first two months of 2023, residential sales transactions plummeted by 28% y-o-y, following a decline of 25.5% during 2022. The Qatari economy will grow by about 2.4% this year, following expansions of 3.4% in 2022 and 1.5% in 2021.

[Morocco](#)'s housing market continues to struggle, with residential property prices falling by 7.5% during the year to Q1 2023, following a y-o-y decline of 10.19% in Q1 2022. Quarter-on-quarter, house prices fell by 2.54% during the latest quarter. Morocco registered a meager economic growth of 1.1% in 2022, sharply down from an expansion of 7.9% in 2021, amidst a severe drought and a surge in commodity prices. The economy is now expected to grow by a modest 3% this year.





**Egypt**'s housing market remains unpredictable, with the nationwide inflation-adjusted real estate index falling by 7.85% in Q1 2023 from a year earlier, following a growth of 3.37% in Q4 2022, declines of 12.35% in Q3 and 14.09% in Q2, and an increase of 1.57% in Q1. Quarter-on-quarter, house prices declined by 6.74% in Q1 2023. After growing by an estimated 6.6% in 2022, the Egyptian economy is projected to grow by 3.7% this year and by another 5% in 2024.





## Americas: U.S. and Canada are now on the brink of housing market correction

*Both the U.S. and Canada are now experiencing house price falls, in contrast to double-digit increases just last year, amidst slowing economy, surging inflation, and heightened global economic uncertainty.*

The [U.S.](#) housing market continues to lose steam, after a decade-long house price boom, amidst falling demand and weakening economy. The S&P/Case-Shiller seasonally-adjusted national home price index fell by 4.15% in Q1 2023 from a year earlier (inflation-adjusted), in sharp contrast to a year-on-year increase of 11.25% in Q1 2022. It is now its worst showing since Q4 2011.

This is supported by figures released by the Federal Housing Finance Agency, which showed that its seasonally-adjusted purchase-only U.S. house price index also declined by 1.44% during the year to Q1 2023 (inflation-adjusted), in stark contrast to the prior year's 10.0.3% growth.

The S&P/Case-Shiller index fell by 1.27% q-o-q in Q1 2023, while the FHFA index declined slightly by 0.55%.

Demand showed mixed results. In April 2023, existing home sales fell by 23.2% y-o-y to a seasonally-adjusted annual rate of 4.28 million units, according to the National Association of Realtors (NAR). This followed a full year decline of 17.8% during 2022. On the other hand, sales of new single-family houses increased by 11.8% y-o-y to a seasonally-adjusted annual rate of 683,000 units in April 2023, according to the U.S. Census Bureau.

The U.S. homebuilder sentiment stood at 50 in May 2023, up by 5 points from the previous month but still far below the prior year's 69, as the shortage of existing homes for sale is partially offsetting the challenges from the financial markets, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). A reading of 50 is the midpoint between positive and negative sentiment.





During 2022, the U.S. economy expanded by 2.1%, a slowdown from an annual growth of 5.9% in 2021, driven by increases in consumer spending, exports, private inventory investment and nonresidential fixed investment, according to figures released by the Bureau of Economic Analysis (BEA). The world's biggest economy will slow further in the medium term, with The Conference Board forecasting that real GDP growth will grow by a meager 0.7% in 2023 and then fall to 0.4% in 2024.

[Canada](#)'s housing market is now in trouble, amidst declining demand. In Q1 2023, inflation-adjusted house prices in the country's eleven major cities fell by 8.7% from a year earlier, in sharp contrast to a year-on-year price growth of 11.01% in Q1 2022. Quarter-on-quarter, real house prices declined by 3.66% during the latest quarter.

Both demand and supply are weakening. During 2022, the actual number of sales transactions plunged by 25.2% to 498,269 units from a record high of 666,399 units a year earlier, according to the Canadian Real Estate Association (CREA). Recently, CREA projects that about 492,674 properties will be sold this year via the Canadian MLS Systems, down slightly by 1.1% from the previous year. Likewise, housing starts dropped 3.1% y-o-y to 46,851 units in Q1 2023, following a decline of 3.4% during 2022.

The Canadian economy grew by a modest 3.6% during 2022, following an expansion of 4.5% in 2021 and a contraction of 5.2% in 2020, according to the Bank of Canada. However, the economic outlook is now bleak, as higher borrowing costs adversely affect consumer spending and as export growth moderates amidst deteriorating global economic conditions. The central bank expects Canada's economy to grow by a meager 1.4% this year and 1.3% in 2024.

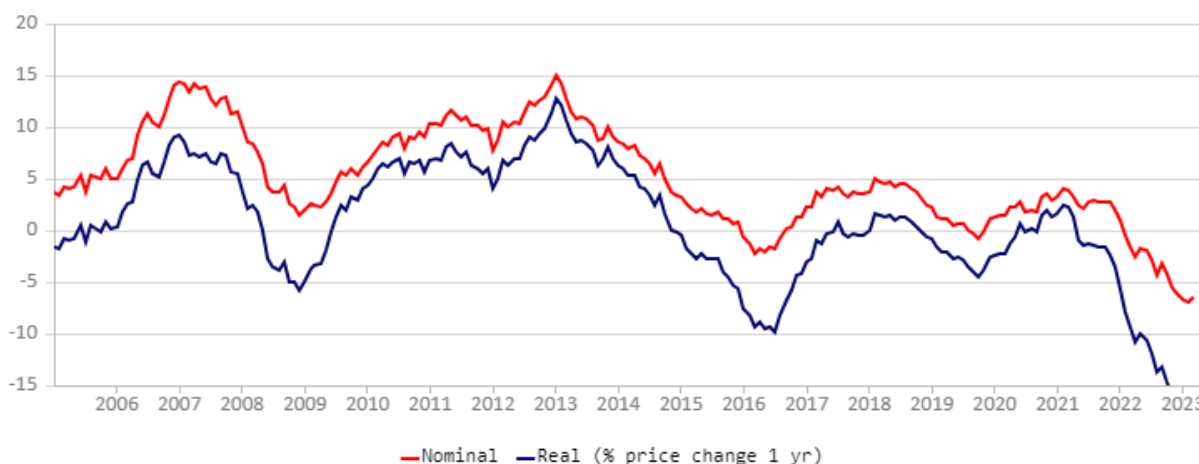


## Latin America's housing markets still suffering

*The two of the five worst housing markets in our global survey are in Latin America. Modest to minimal house price rises are seen in Mexico and Brazil. On the other hand, Argentina, Colombia and Chile remain depressed.*

[Argentina](#) remains the weakest housing market in our global house price survey, amidst slowing economy, surging inflation and nervous political situation. During the year to Q1 2023, apartment prices in Buenos Aires plunged by a whopping 53.7%, worse than the y-o-y decline of 40.05% in the previous year. On a quarterly basis, prices dropped by a huge 18.51%.

[Colombia](#)'s housing market conditions are worsening, after several years of vigorous price rises. In Bogotá, house prices plummeted by a huge 17.5% during the year to Q1 2023, far worse than the previous year's 9.42% y-o-y decline. During the latest quarter, house prices dropped 7.98% q-o-q.



[Chile](#)'s housing market is noticeably cooling again, amidst sharp economic slowdown. The nationwide average price of new apartments fell slightly by 1.17% y-o-y in Q1 2023, in contrast to the previous year's 4.49% growth. Quarter-on-quarter, house prices fell by 2.03%.

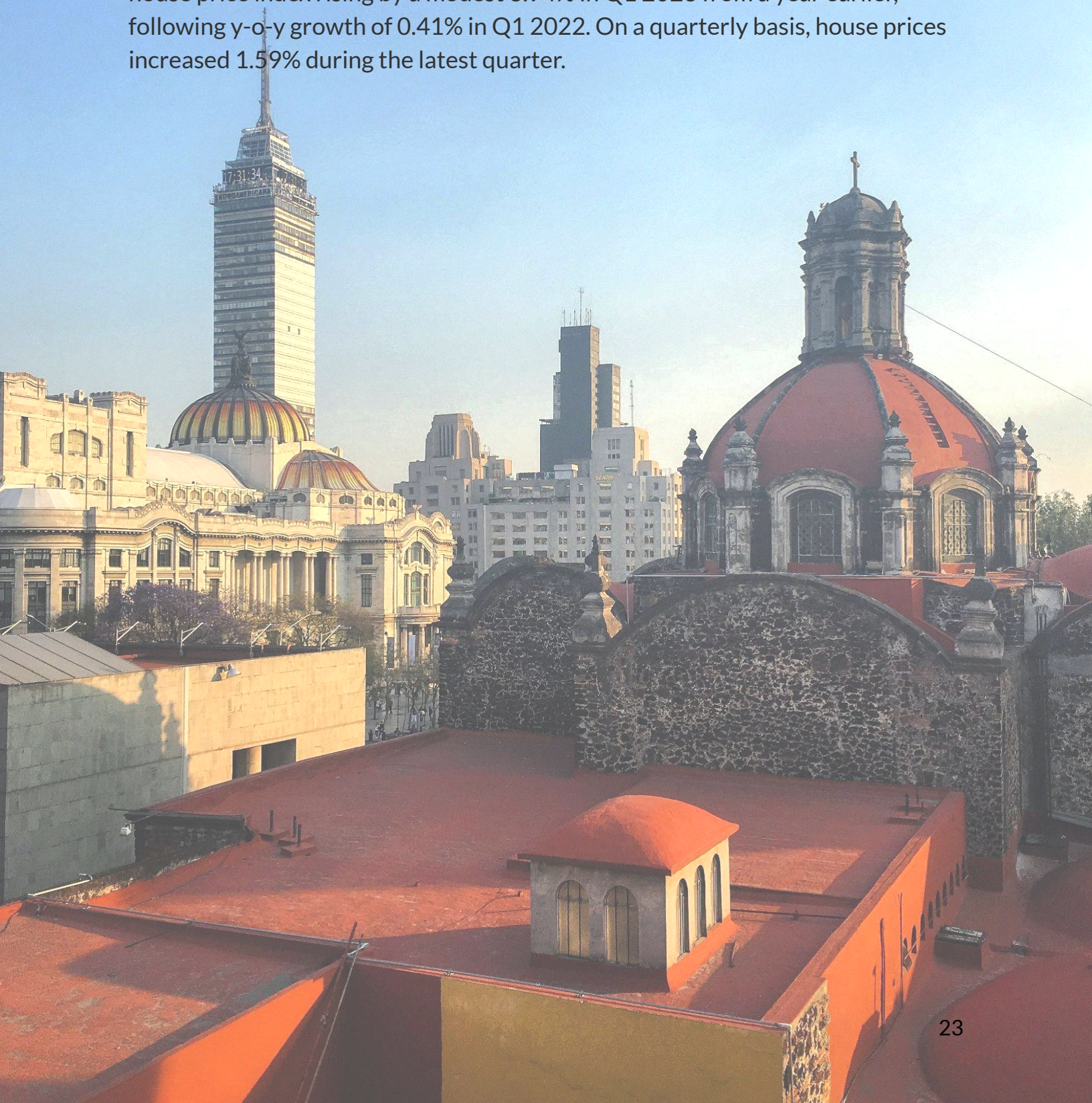
[Brazil](#)'s housing market is stabilizing, with real house prices in Sao Paulo rising slightly by 0.14% during the year to Q1 2023, an improvement from the prior





year's 6.39% fall. Yet on a quarterly basis, Sao Paulo prices dropped 1.02% in Q1. Inflation-adjusted house prices in the capital city have been falling since 2015, and the Covid-19 pandemic has prolonged the downturn.

[Mexico](#)'s housing market is showing some improvements, with the nationwide house price index rising by a modest 3.94% in Q1 2023 from a year earlier, following y-o-y growth of 0.41% in Q1 2022. On a quarterly basis, house prices increased 1.59% during the latest quarter.







## Puerto Rico's housing market remains frail

[Puerto Rico](#)'s housing market remains weak, amidst a slowing economy. The seasonally-adjusted purchase-only house price index fell slightly by 0.29% in Q1 2023 from a year earlier, following a year-on-year decline of 7.02% in Q1 2022. Quarter-on-quarter, house prices dropped 0.45% during the latest quarter.

The Puerto Rican housing market has suffered tremendously for most of the decade. The island has experienced a prolonged economic crisis, massive debt, high unemployment and continuing population loss. With US\$70 billion in debt and US\$50 billion in pension liabilities, Puerto Rico's bankruptcy filing in May 2017 was the biggest in the history of the United States. After expanding by 4.8% in 2022, economic growth is projected to slow again to 0.4% this year.

## South Africa's housing market remains depressed

[South Africa](#)'s housing market remains weak, having been depressed for most of the past seven years. The price index for medium-sized apartments fell by 4.81% during the year to Q1 2023, following a y-o-y decline of 1.83% in the previous year. On a quarterly basis, house prices dropped 2%.

After registering a post-pandemic growth of 4.9% in 2021, SA's economic growth slowed to 2% in 2022, amidst the fallout of the war in Ukraine coupled with several domestic setbacks, such as floods and energy crisis. The SA economy will likely post a meager growth of 0.2% this year, according to the South African Reserve Bank (SARB).



[The Global Property Guide](#) provides research to help buyers of residential property abroad.

Our collation of statistics on national house-price changes sells to the World Bank, IMF, and similar institutions (educational institutions should apply for special consideration).

Our in-house research is widely quoted by leading media such as The Economist, Forbes, the Wall Street Journal, the BBC, as well as by industry publications.