

Leading
REAL ESTATE COMPANIES
OF THE WORLD



GLOBAL HOUSING PRICE INDEX

SURVEY REPORT | OCTOBER 2020

Ginesta
Immobilien



About the Survey

A key part of Leading Real Estate Companies of the World’s value proposition is the ability to provide timely market intelligence, drawing on the collective expertise of members as local and global real estate experts. For its latest research project, Leading Real Estate Companies of the World® (LeadingRE) surveyed members on housing prices in various markets and curated commentary on price movement, encapsulating the findings at a global level for the LeadingRE Global Housing Price Index.

Most participating members compared the current housing prices with the prices in the prior six months. Some provided a “year-to-date” comparison of prices. Based on the rationale of the price index, we can also use the terms “Pre-COVID” and “Post-COVID” because the need to monitor housing prices was a logical reaction to the pandemic. This report serves as the baseline of the LeadingRE Global Housing Price Index, which shall be updated periodically going forward.

Some LeadingRE members differentiated their markets into single family home/residence (SF/SFH/SFR); townhouse (TH); apartment/condominium. It is important to note that most US members rely on robust data from their Multiple Listing Service (MLS) based on actual sales for their market commentaries. Outside of the US, MLS sales data is almost non-existent and getting transacted prices on a regular basis is quite challenging. This housing price index is curated by LeadingRE members across the globe where they transact real estate on a regular basis. The above categories are reported by the members to give granular analysis of certain active residential segments in their markets.

Based on these categories, LeadingRE monitored 273 different housing markets.

Participants by World Regions

The 273 markets represented in this report are broken down by world regions as follows:

Asia Pacific (APAC)

25

Canada

20

Europe, the Middle East and Africa (EMEA)

27

Latin America and the Caribbean (LAC)

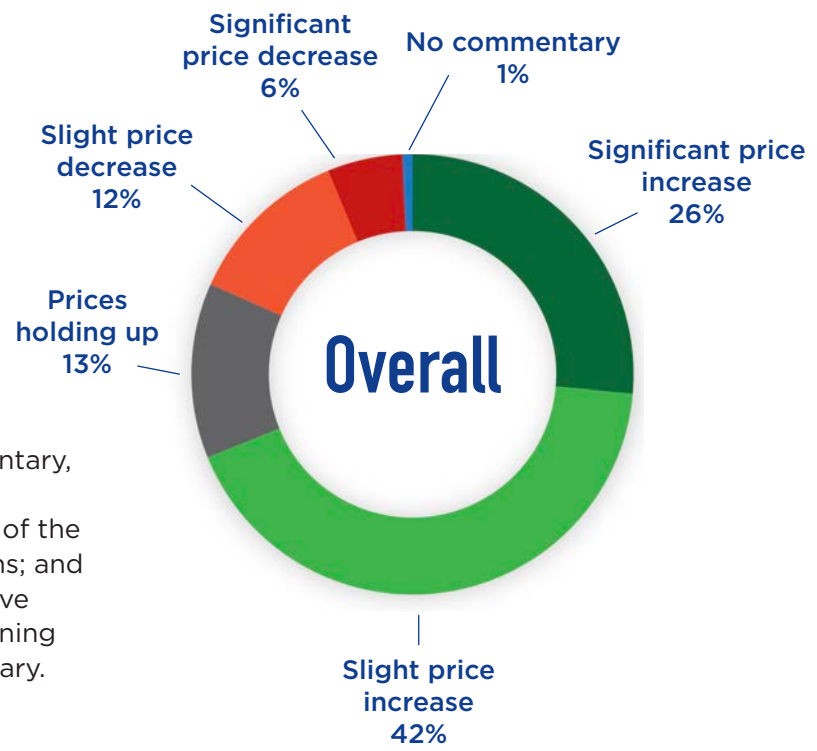
11

United States (US)

190

Up or Down? Overall Housing Price Trends

- 68%** Markets reporting a price increase
- 18%** Markets reporting a price decrease
- 13%** Markets reporting prices holding steady



Based on members' curated commentary, 68% of the markets have seen price increases in the last six months; 18% of the markets experienced price reductions; and the remaining 13% of the markets have prices holding steady, and the remaining 1% of the markets gave no commentary.

A Look at Select Markets



Housing Price Trends by Region

Analysis reveals the following trends in major world regions.

Asia-Pacific (APAC) experienced price increases (both significant and slight) in 32% of the market, while 16% of the markets saw prices holding up. Price decreases (both significant and slight) are seen in 52% of the markets.

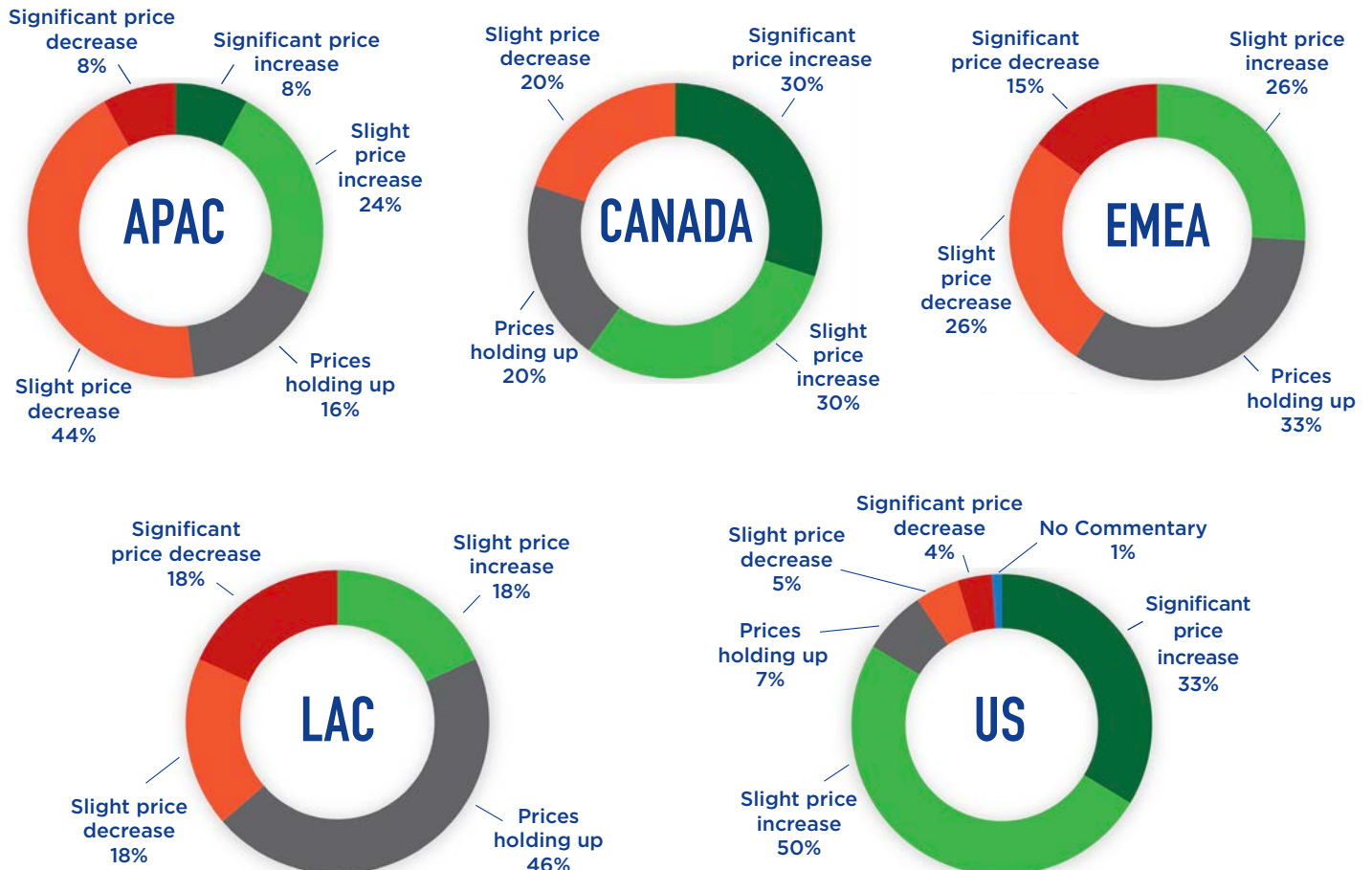
In Canada, LeadingRE monitored price increases in 60% of the markets, while 20% of the markets have prices holding up and price decreases in 20% of the markets.

In Europe, the Middle East and Africa (EMEA), LeadingRE monitored price increases in 26% of the markets, while 33% of the markets have prices holding up and price decreases in 41% of the markets.

In Latin America and the Caribbean (LAC), LeadingRE members experienced price increases in 18% of the markets, while 46% of the markets have prices holding up and price decreases in 36% of the markets.

LeadingRE US members reported price increases in 83% of the market while 7% of the markets with prices holding up; price decreases in 9% of the markets, and 1% of no market commentary.

Significant price increase means more than 10% appreciation in the past six months. Slight price increase means an uptick of within 10%. Prices are holding up means prices are within plus or minus 1% fluctuation. Slight price decrease means a dip within 10%. Significant price decrease means price depreciation of more than 10%.



Key Market Insights

Overall, the baseline data of the LeadingRE Housing Price Index shows that the average housing price for the 273 markets is at USD 650,751, and the average price per square meter is USD 3,489 per square meter or USD 324 per square foot.

It is important to note that a substantial number of the markets did not report nor monitor the price per square meter/square foot, especially for markets that cover primarily single-family houses.

Highest Housing Prices per Region

APAC

Tokyo (Prime), Japan and Seoul, Korea markets are tied at USD 1.90 million

CANADA

West Vancouver, British Columbia at USD 3.86 million

EMEA

Zermatt, Switzerland at USD 7.00 million

LAC

Cayman Islands at USD 4.5 million

US

Beverly Hills (SFR), California at USD 7.7 million

Average Price per Square Meter/Foot

APAC

USD 5,392 per square meter (USD 501 per square foot)

CANADA

USD 6,303 per square meter (USD 586 per square foot)

EMEA

USD 6,762 per square meter (USD 628 per square foot)

LAC

USD 3,667 per square meter (USD 341 per square foot)

US

USD 2,667 per square meter (USD 248 per square foot)

Regional Housing Price Averages

Based on averages provided by participating LeadingRE members

APAC: USD 605,291

LAC: USD 1,262,727

Canada: USD 1,020,885

US: USD 482,997

EMEA: USD 1,370,393

Highs and Lows

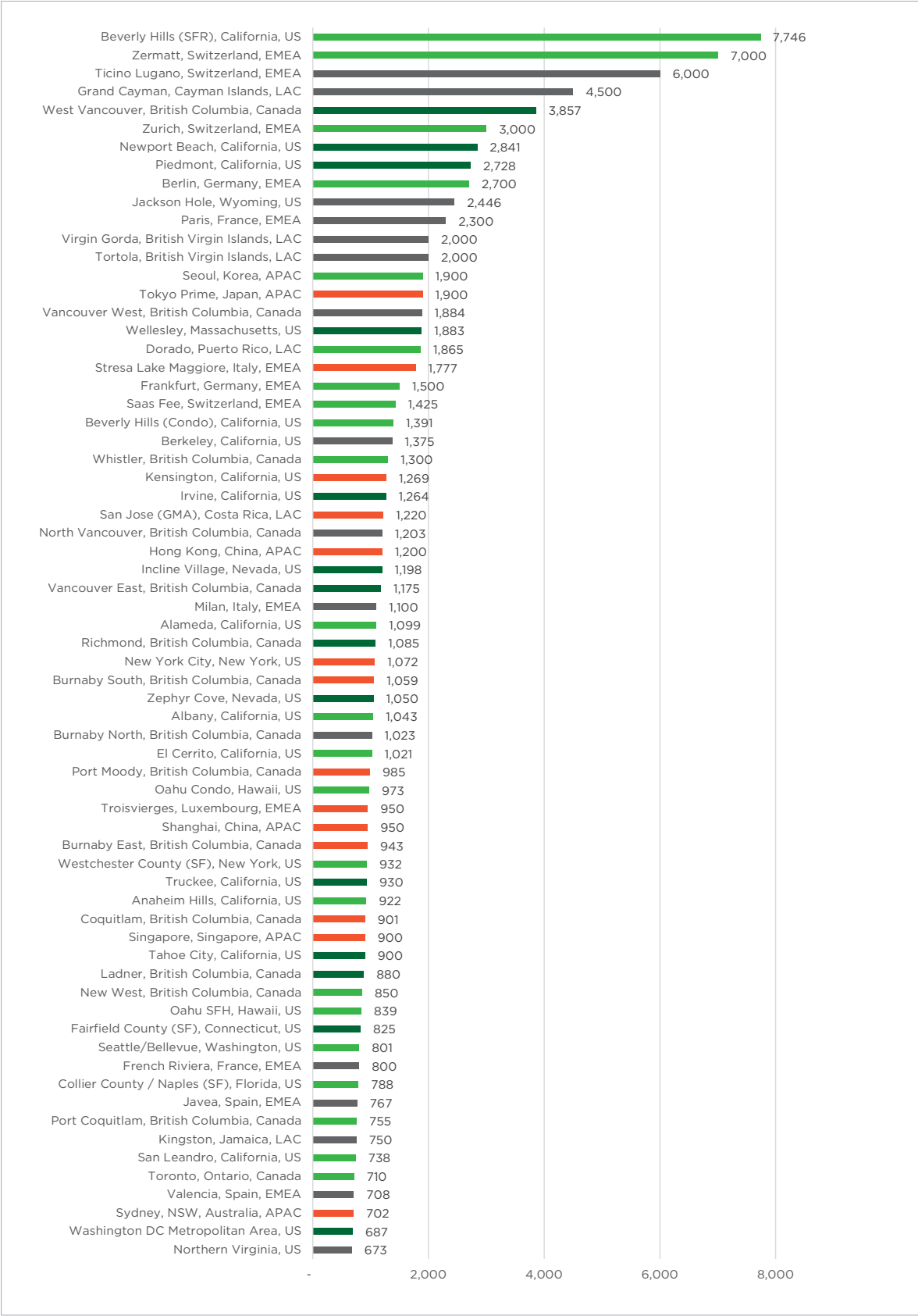


Beverly Hills (SFR), California reported the highest housing price average at USD 7,746,297. Durban, South Africa claimed the lowest average price at USD 75,000.

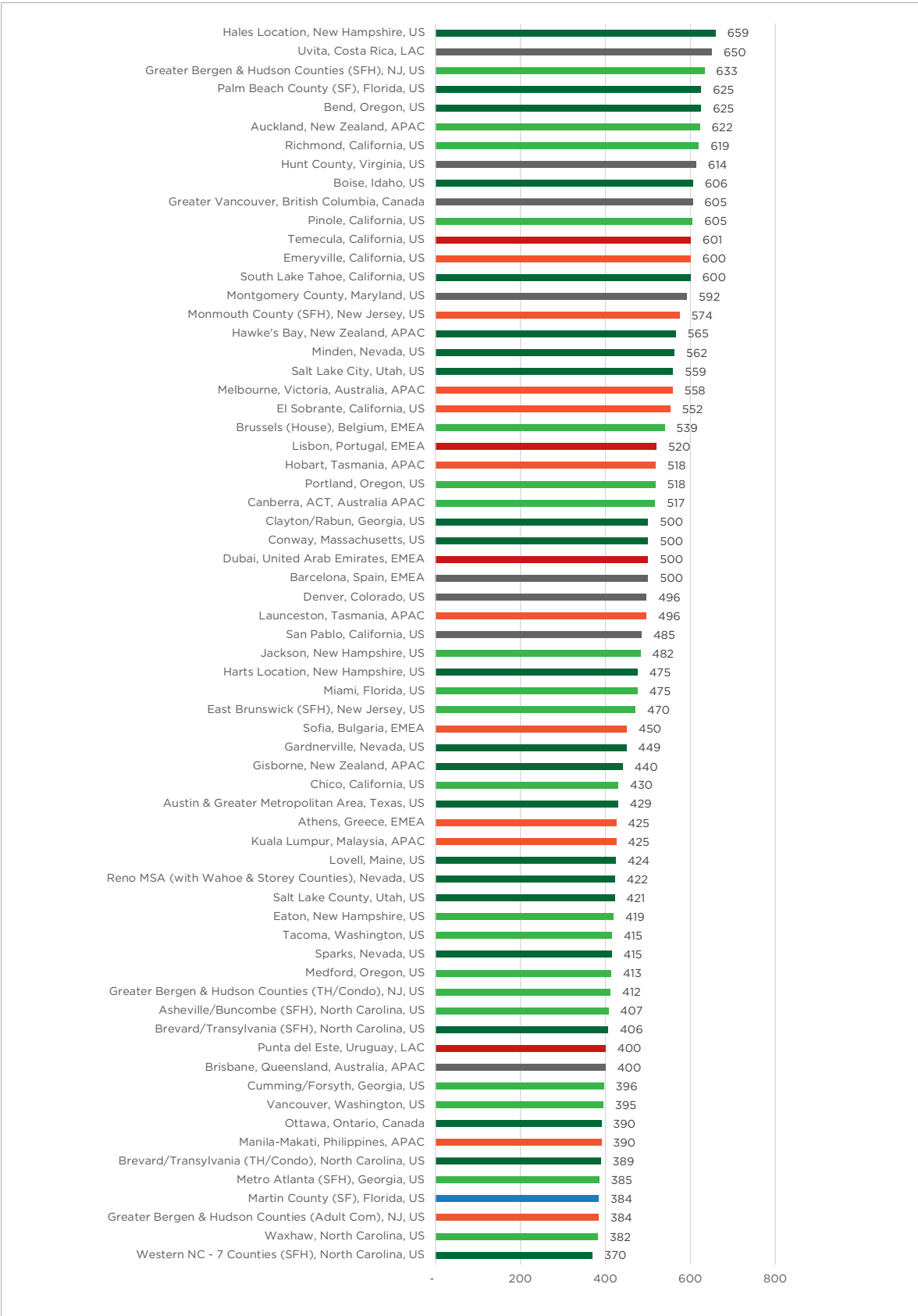


In terms of price per square meter/square foot, Hong Kong monitored that highest at USD 21,520 per square meter (USD 2,000 per square foot), while Kuala Lumpur reported that lowest at USD 400 per square meter (USD 37 per square foot).

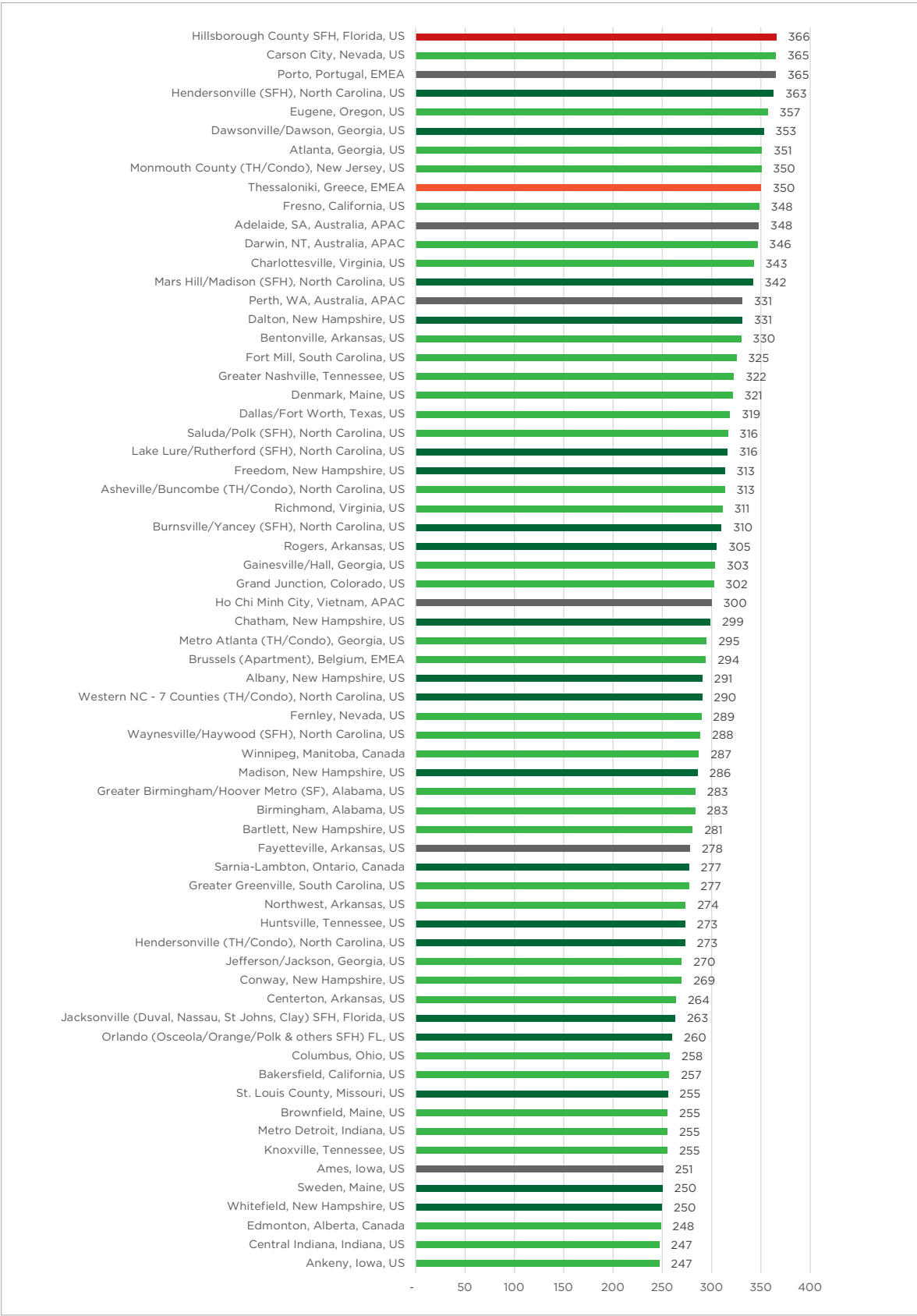
LeadingRE Housing Price Snapshot (in USD '000)



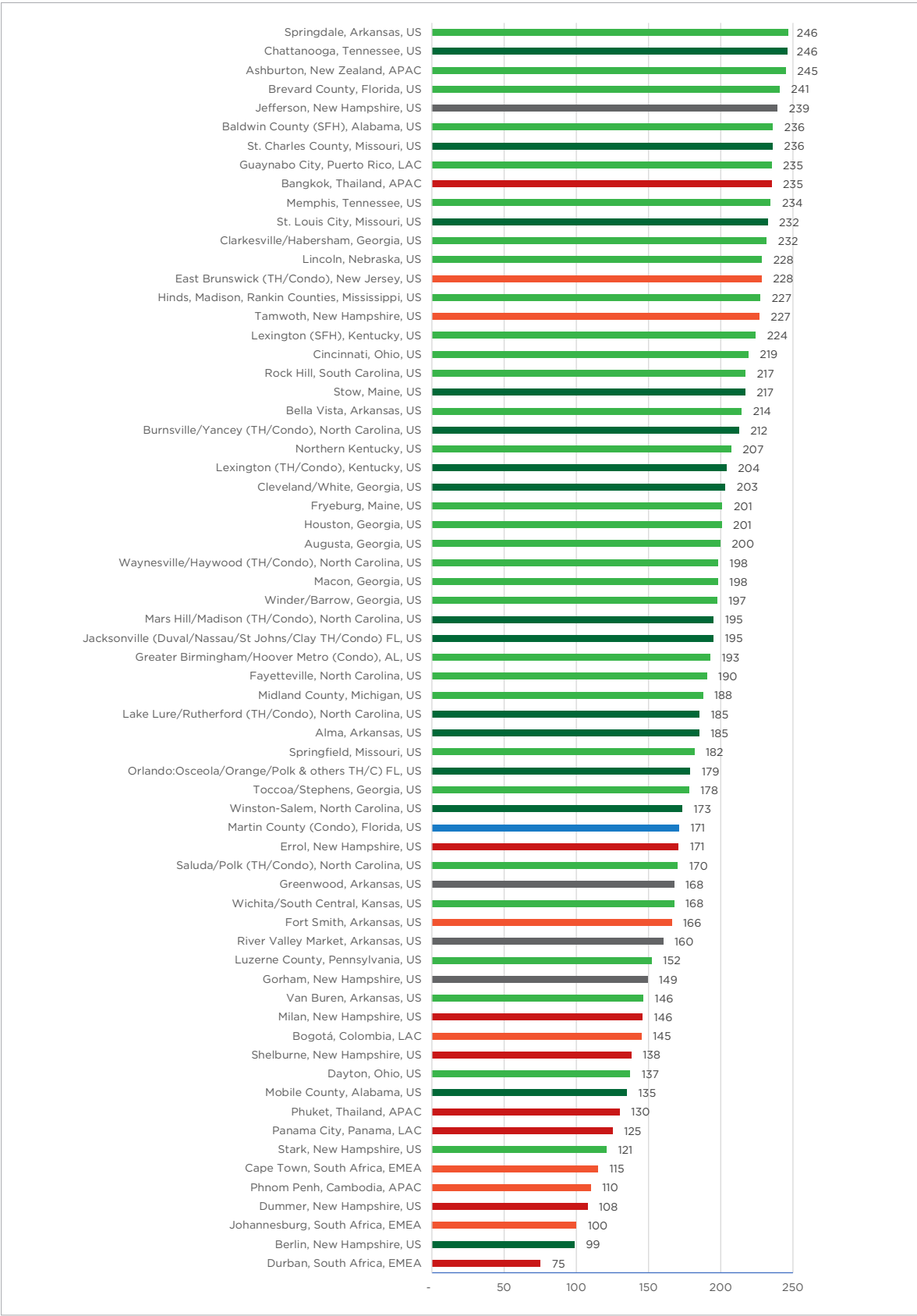
LeadingRE Housing Price Snapshot (in USD '000)



LeadingRE Housing Price Snapshot (in USD '000)



LeadingRE Housing Price Snapshot (in USD '000)



Conclusion

LeadingRE understands that real estate markets vary across regions and countries. This is why “We are Local” and believe real estate is local. Likewise, “We are Global”, despite the differences among countries, and we draw on the expertise of our real estate leaders in 70+ countries worldwide.

This LeadingRE global housing price index, like any index, is inevitably weighted towards the number of markets in the basket. Because the largest number of members are from the US, the overall average and the percentage of price appreciation reflect the general market sentiment in the US. Markets that experienced price appreciation, whether in the US—or even in Germany, New Zealand and South Korea and Switzerland—appear to have developed a “pent-up” demand during the lockdown period. In most of these cases, they also have strong local demand for housing.

Regarding the steady or even increasing prices, one school of thought is that price depreciation is just delayed due to the aggressive financial stimuli enacted worldwide. While this may hold true, property owners and developers can likewise adjust the “supply” to soften the decrease in price. More importantly, since markets will be experiencing low

to zero interest rates and value rotation in most stock markets, global investments would have to look for stable assets, and real estate is a top candidate.

Region-wise, APAC, EMEA and LAC reported higher incidence of price depreciation, especially in APAC where 52% of the markets reported a price drop. Markets relying on travelers and tourism have suffered the steepest decline, as experienced by Bangkok, Dubai, Lisbon and Panama City to name a few. This is true worldwide where tourism-dependent markets are eager to welcome travelers even with the stringent health and safety protocols.

Furthermore, the regional averages would reflect the markets covered by LeadingRE members. In Latin America and the Caribbean region, LeadingRE members service luxury markets like Cayman Islands and British Virgin Islands thereby pulling up the

**WE'RE LOCAL
WE'RE GLOBAL™**

regional average to above USD 1 million. The main reason the US regional average is below the rest is due to the saturation of LeadingRE members in the US, servicing various markets and residential segments.

The LeadingRE averages reflected in this report are not meant to discount or ignore these market differences, but rather peg finite figures that we will periodically monitor moving forward to identify key market trends.

Likewise, the averages are not intended to disregard the various residential segments that we tried to reflect as reported by the members, but rather to show snapshot values that would give a flavor of where one can buy a home, given a specific budget in mind.

Ultimately, the LeadingRE Global Housing Price Index is intended to describe price fluctuations across hundreds of markets that we cover.

Disclaimer: While every effort has been made to ensure accuracy, Leading Real Estate Companies of the World® and its members accept no liability whatsoever for any loss or damage resulting from any use of, reliance on, or reference to the contents of this report.



CHICAGO | 161 N. Clark Street, Suite 1200 | Chicago, IL 60601 | USA | +1 312 424 0400
LONDON | 1 Northumberland Avenue | Trafalgar Square | London WC2N 5BW | UK | +44 20 7872 5525
SINGAPORE | 1 Raffles Place | Level 24 Tower 1 | Singapore 048616 | +65 6408 0507
LeadingRE.com