



**Global Trends**

According to Q2 Knight Frank Global House Price Index it appears that Global housing markets show signs of tentative recovery. For Q2 2009 values increased in almost half (42%) of the countries reported<sup>1</sup>.

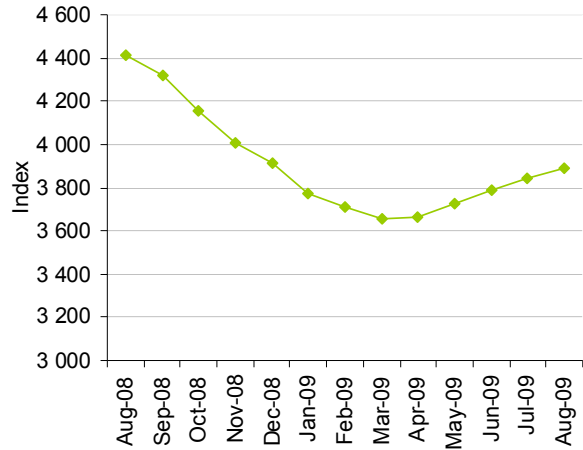
	Price change	
	Q2 08 – Q2 09	Q2 09 – Q1 09
Israel	12.5%	4.0%
Switzerland	6.1%	2.1%
Indonesia	2.1%	0.7%
Jersey	1.5%	-3.9%
Luxembourg	0.8%	-0.1%
Belgium	0.2%	-0.3%
Hungary	-1.1%	-0.3%
Germany	-1.3%	-1.0%
New Zealand	-1.3%	1.3%
Australia	-1.4%	4.2%
Norway	-1.5%	5.3%
Portugal	-1.5%	1.7%
Sweden	-2.0%	3.6%
China	-2.4%	1.8%
Finland	-2.9%	3.9%
Italy	-3.5%	-1.3%
Thailand	-3.7%	-5.6%
Russia	-3.9%	-2.3%
South Africa	-4.1%	-1.4%
Croatia	-6.1%	-1.9%
Canada	-6.2%	1.9%
Czech Republic	-8.0%	NA
Spain	-8.3%	-1.9%
Netherlands	-10.3%	2.7%
Denmark	-11.4%	-2.8%
UK	-11.7%	1.1%
Slovakia	-13.4%	-5.0%
Slovenia	-14.3%	-2.5%
United States	-15.4%	1.3%
Bulgaria	-21.9%	-9.7%
Singapore	-27.7%	-5.2%
Dubai	-47.3%	-7.5%

Source: Knight Frank Residential Research, 2009

- Israel remains the top performer over a 12 month period with prices increasing 12.5% to the end of Q2 2009
- On a quarterly basis, Norway saw the biggest rise with prices up 5.3% during the Q2 of the year
- Dubai recorded the largest annual (-47%) and second largest quarterly (-7.5%) drops in the index, but prices are now falling at a much reduced rate
- The quarterly drop in prices accelerated in less than 25% of locations

**London**

Knight Frank Prime Central London Residential Index has been raising for five consecutive months



Source: Knight Frank Residential Research, 2009

- Prices for residential property in central London rose by 1% in August which is the fifth consecutive month of growth
- Price growth has been driven by the significant bounce in prices in Chelsea, Kensington and St. John's Wood - where prices have risen by 5% in the last three months alone
- Houses continue to out perform flats (4.6% and 3.6% respectively)
- Prices in the £1million to £2.5 million market have risen more than 5%, £10+ million market growth was 2.4%

**Outlook**

Positive news confirming the recovery trend are coming from the other markets:

- In the US for the first time since 2004 market shows 3 consecutive month sales growth of existing houses
- The number of mortgage loans increased in Spain, UK, USA

*“Overall, it seems that market recovery is beginning to take Global. Despite the fact that some markets are still in recession there is a moment when the investors no longer doubt the future direction of the market and determine which markets are the most risky and which are most stable.*

Ekaterina Thain, Partner, Director Residential Knight Frank

<sup>1</sup> Index is compiled using regular monitoring of data from 46 countries. By the time of this release Q2 2009 data has been reported from 33 countries.