

Major global housing markets are taking a hit. The ripple effect could be coming.

The slowdown could have a broader global impact

January 19, 2019 01:00PM



The Hong Kong skyline (Credit: Unsplash)

Major global markets that once seemed insulated from the housing slump are getting caught in the slowdown.

Cities like London, Hong Kong and New York are grappling with a more tepid market, Bloomberg reported. According to a Knight Frank index of high-end properties in 43 cities, luxury residential prices are growing at the slowest rate since 2012.

“If New York and London are catching a cold, the primacy is large enough that they might have an impact on the overall market,” Albert Saiz, a professor of urban economics and real estate at the Massachusetts Institute of Technology, told Bloomberg.

Hong Kong property values are seeing the longest decline since 2008, while Sydney is experiencing the worst real estate downturn since the 1980s. In outer London neighborhoods, prices [fell](#) for the first time since 2011 — and in Manhattan, the median condo price recently slid before \$1 million for the first time in three years.

Because home values in global cities tend to move in tandem, shifts in these markets have the potential to create a broader ripple effect internationally, the report said.

The slowdown comes after governments’ concerns about unsustainable price appreciation led to [measures](#) that sought to limit flows of international money. These moves to reduce foreign purchases have caused

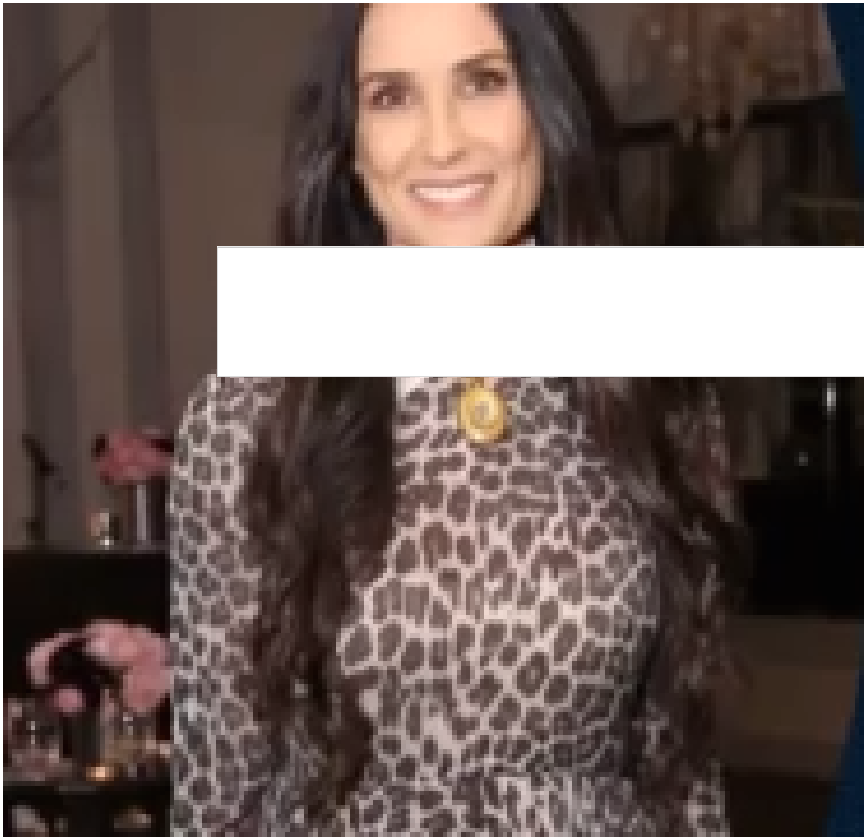
values to stall or fall in cities including Sydney, Melbourne, Toronto, Vancouver and Stockholm, according to the report.

In the U.S., developers' focus on the high-end market has created an influx of million-dollar condos — while lower-end home prices have been driven up by limited supply. Now, in a climate of rising interest rates and financial market volatility, markets are slowing.

“For a long time, you could talk about big, important issues like Brexit or tax policy change in the U.S. — each one of them seemed to hit a major market but didn't really cross over,” said Dan Conn, chief executive officer of Christie's International Real Estate. “What happened this year is that the trade battles started to make this, instead of a regional conversation, much more of a global conversation.” [\[Bloomberg\]](#) — *Meenal Vamburkar*

Tags: [hong kong](#), [housing market](#), [Residential Real Estate](#)

01:10 / 01:18



2. Demi Moore:
Numerous celebs
Park
no
building, but none
have a pricier home
than the actress.
Her home hit the
market for \$75
million.