



## Developments in residential property prices – first quarter of 2015<sup>1</sup>

*In the first quarter of 2015, residential property prices increased significantly year on year in real terms (ie deflated by the CPI) in several advanced economies, while they remained stable or fell moderately in others. Prices grew by around 5% in Australia, Canada and the United States, and by around 10% in Sweden and the United Kingdom. In contrast, they remained stable in Japan and increased by a modest 1% in the euro area – with significant disparities across countries, as strong rises in Ireland (+17%) and Germany (+5%) were almost offset by continued declines in France, Greece and Italy. The picture was also mixed among major emerging market economies. Real residential property prices continued to rise strongly in Hong Kong SAR and Turkey, and to a lesser extent in the Philippines, South Africa and Thailand; but prices continued to fall in real terms in China and Russia.*

### Advanced economies

Real residential property prices continued to increase significantly in most advanced economies in the first quarter of 2015, rising by 3.6% year on year on aggregate (using PPP weights). They grew by 5% or more in Australia, Canada, New Zealand and the United States (Graph A). They also continued to trend upwards in several European countries outside the euro area, increasing by around 10% in Sweden and the United Kingdom, and by between 3 and 6% in Denmark, Norway and Switzerland.

In contrast, Japanese prices remained stable, and the euro area saw only a slight increase on aggregate (+1%), with important disparities across the member states. Real property prices grew by 5% in Germany and 3% in Spain, and by as much as 17% in Ireland. On the other hand, prices mostly fell in the southern European countries, by 1–3% in France, Greece and Italy.

### Emerging market economies

Turning to emerging market economies, real prices decreased by 0.4% year on year on aggregate. The picture was mixed, however, across countries, especially in Asia. Real residential property prices increased by 13% in Hong Kong SAR, and by around 5% in the Philippines and Thailand; but they fell by 5% in China. In Latin America, too, significant increases (of around 5%) in Colombia and Peru contrasted with modest declines for the first time in recent years in Brazil and Mexico. A similar contrast was observed in central and eastern Europe. Real residential property prices rose significantly in Hungary and Turkey (by 12% and 9%, respectively), and to a

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<sup>1</sup> This note was prepared by the BIS Monetary and Economic Department. Questions should be addressed to Robert Szemere (robert.szemere@bis.org). Longer-term developments are analysed more extensively once a year, in the context of the May quarterly release. Q2 2015 data already published for some countries are included in the BIS data sets, but Q1 2015 data are not yet available for Chile and India.

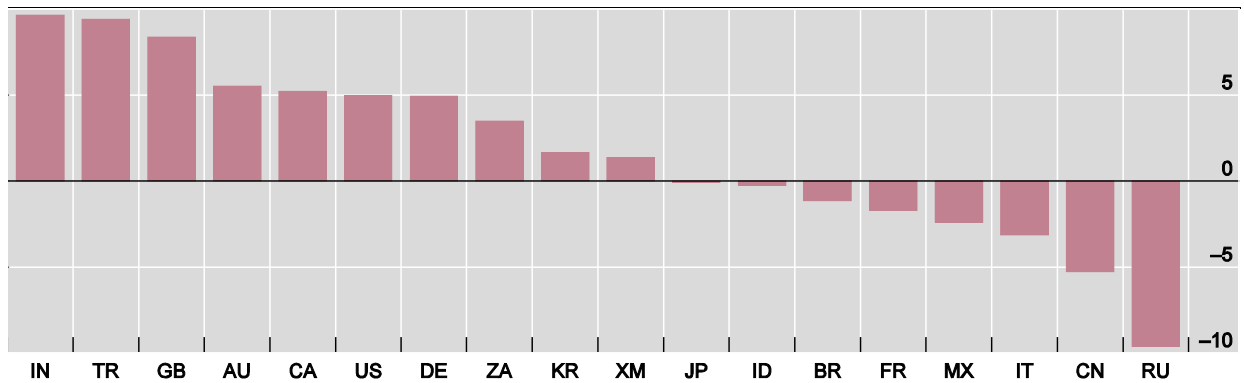
lesser extent in the Czech Republic, Poland and Romania. But prices continued to fall heavily in Russia, by 10% (Graph A).

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## Real residential property prices in selected G20 countries

Year-on-year changes in Q1 2015, in per cent

Graph A



AU = Australia; BR = Brazil; CA = Canada; CN = China; DE = Germany; FR = France; GB = United Kingdom; ID = Indonesia; IN = India; IT = Italy; JP = Japan; KR = Korea; MX = Mexico; RU = Russia; TR = Turkey; US = United States; XM = euro area; ZA = South Africa.

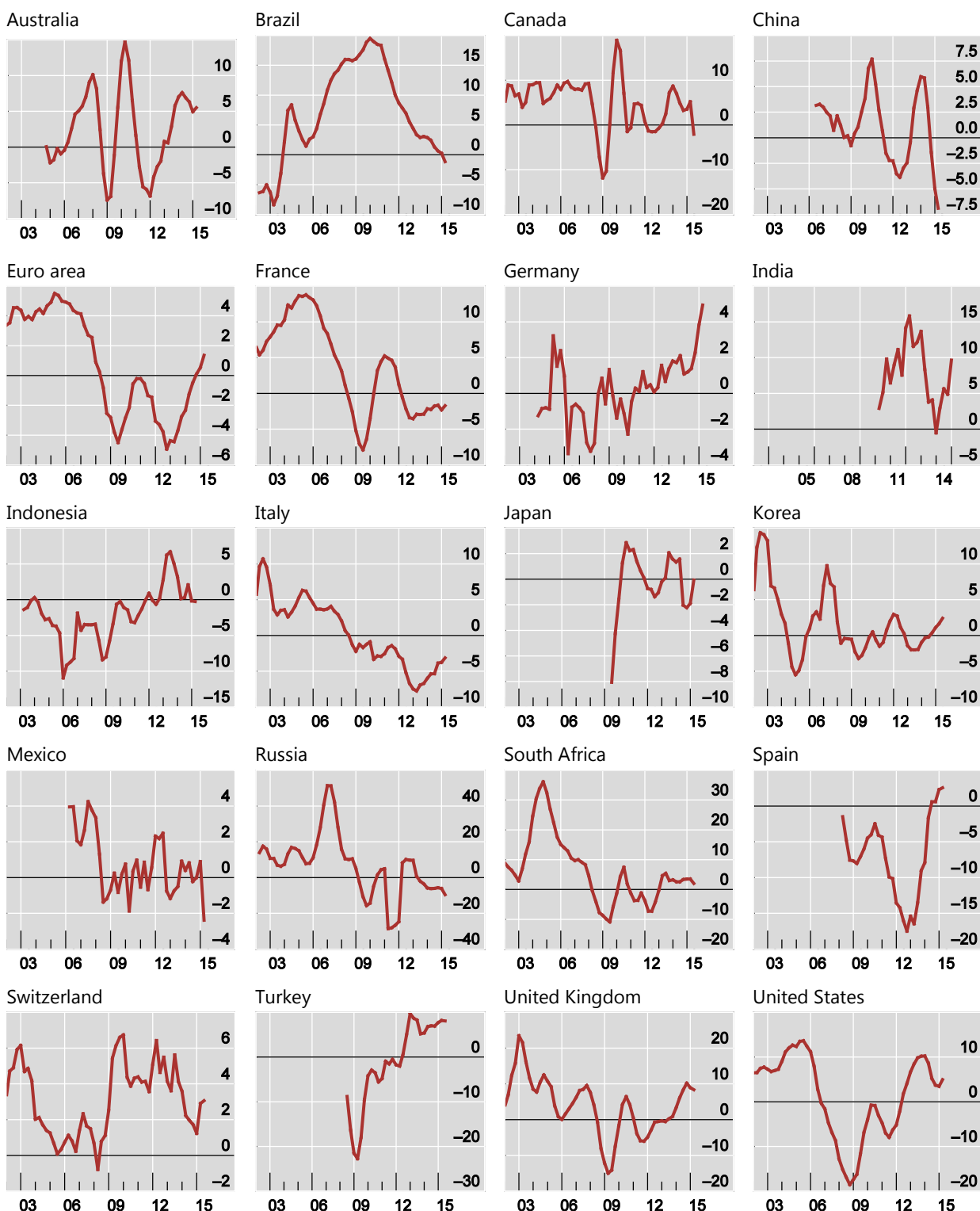
Source: BIS documentation on selected representative property price series. Q4 2014 data for India.

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# Residential property prices, real<sup>1</sup>

Year-on-year changes, in per cent

Graph B



<sup>1</sup> Nominal residential property prices deflated by the CPI.

Sources: See documentation on selected representative property price series.