



Long series on residential property prices for emerging market economies: Hong Kong SAR, Korea, Malaysia, Thailand and South Africa¹

The BIS started to publish long-term residential property prices series for 18 advanced economies in 2014. From now on, this long residential property price data set will also include series for five emerging market economies. For Hong Kong SAR and South Africa, the selected indicator is already sufficiently extensive to qualify as a long series. For the other countries, the selected series are extended backwards with information from alternative sources. The documentation for the long series data set summarises the compilation methodology for each country.

While real price developments have varied across countries in past decades, price trends in the Asian emerging market countries show similarities in two periods: in the second half of the 1990s, real prices fell in all four Asian countries. Similarly, after 2007, prices have remained stable or even increased significantly in these countries, in sharp contrast to those in many advanced economies.

Real residential property price developments in the individual countries

Hong Kong: Residential property prices deflated by CPI have increased continuously over the last 30 years, with the notable exception of the 1997–2003 period, when they fell by 60%. Real prices have increased fivefold during the last three decades, with most of this surge concentrates in the past decade.

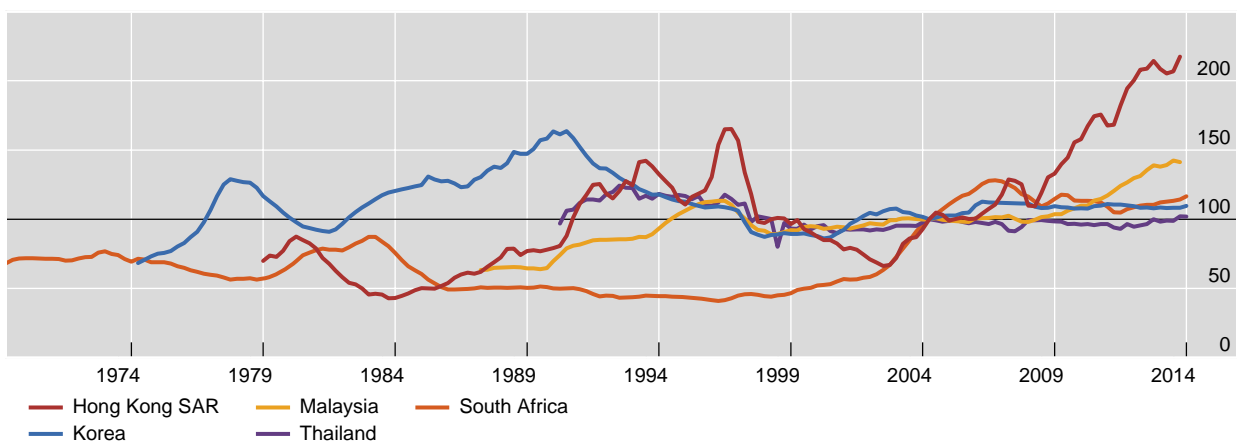
Korea: Real residential property prices fell by close to 50% between 1991 and 2001, and then rebounded by 30% up to 2007. They have remained broadly unchanged since 2007, so that at end-2014 real residential property prices were still one third below their 1991 peak.

Malaysia: Real residential property prices have risen steadily over the last quarter century, with a brief hiatus during the late 1990s. Prices have risen by 40% over the last 10 years, and have more than doubled since 1988.

Thailand: As in some other countries in the region, CPI-deflated residential property prices fell significantly in the second half of the 1990s. Thailand was exceptional, however, in that no rebound followed this slump. As a result, the real price level in 2014 was close to that of 1991.

South Africa: Real residential property prices remained broadly unchanged during the 1990s, but grew by 150% in the 2000–07 period. Prices then fell somewhat before stabilising, and their current level is still below the 2007 peak despite a recent rebound.

Long-term real residential property price developments in five emerging market economies (Q1 2005 = 100)



¹ This box (published as part of the quarterly update on property prices) was prepared by the BIS Monetary and Economic Department. Questions can be addressed to Robert Szemere (robert.szemere@bis.org). It analyses developments in real terms while the long series data set presents the data in nominal terms, which can diverge substantially from real price developments in the long run.