

Statistical release: BIS residential property price statistics in Q1 2021

- Global shelter inflation strengthened further in the first quarter of 2021: worldwide real property prices increased by 4.6% year on year, up from 4.1% in the fourth quarter of 2020 and 1.1% a year before.¹
- This rise was particularly marked in advanced economies, by 7.3% on average, especially in comparison with the 2.5% registered for emerging market economies.
- In real terms, global house prices now exceed their immediate post-Great Financial Crisis by 22.4% on average.
- The situation in those economies where sub-national data exist suggests that since the start of the Covid-19 pandemic house prices have increased less in major cities compared with other parts of the countries.

Summary of latest developments

Global real house prices rose by [4.6%](#) year on year in aggregate in the first quarter of 2021, representing the fastest growth rate recorded since the Great Financial Crisis (GFC) of 2007–09. This growth was particularly strong in advanced economies (AEs), [7.3%](#) on average. Prices rose more moderately in emerging market economies (EMEs), by [2.5%](#) on average – with notable differences across regions: they increased by 7.0% in central and eastern Europe, 3.0% in Latin America and 1.5% in emerging Asia, but remained flat in the Middle East and Africa (+0.8%).

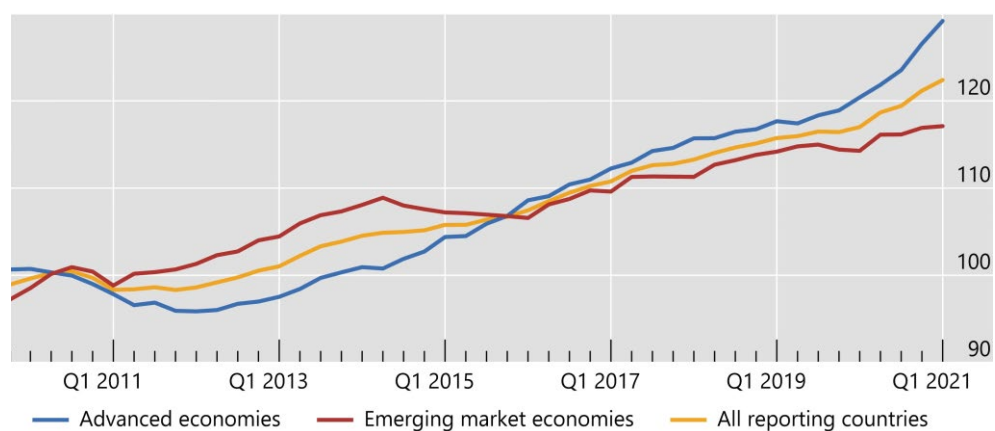
In real terms, global house prices now exceed their immediate post-GFC average by [22.4%](#), and by [29.2%](#) and [17.1%](#) for AEs and EMEs, respectively (Graph 1 and Table 1). Among the G20 economies, real prices have risen markedly – by more than 40% – over the past decade in India, Canada, Germany, and the United States. At the other end of the scale, they remain well below their post-GFC levels in Italy and Russia, by around 20% and 40%, respectively (Graph 2).

¹ Real residential property prices refer to nominal residential property price indicators deflated by the consumer price index. Global aggregates are weighted aggregates of selected AEs (Australia, Canada, Denmark, the euro area, Iceland, Japan, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States) and EMEs (Brazil, Bulgaria, Chile, China, Colombia, Croatia, the Czech Republic, Hong Kong SAR, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, North Macedonia, Peru, the Philippines, Poland, Romania, Russia, Singapore, South Africa, Thailand, Turkey and the United Arab Emirates), based on PPP exchange rates.

Aggregate developments in real residential property prices¹

2010 = 100, index

Graph 1



¹ Based on quarterly averages; CPI-deflated.

Source: BIS calculations based on selected residential property price series.

Regional developments in real residential property prices, in per cent, Q1 2021

Table 1

	Cumulative from 2010 ¹	Year-on-year
All reporting countries	22.4	4.6
Advanced economies	29.2	7.3
Non-European countries	37.9	8.3
Euro area	13.7	5.1
European countries outside the euro area	30.0	8.0
Emerging market economies	17.1	2.5
Latin America	19.7	3.0
Asia	25.3	1.5
Central and eastern Europe ²	-13.4	7.0
Middle East and Africa	10.8	0.8

Estimated weighted quarterly averages based on rolling GDP and PPP exchange rates.

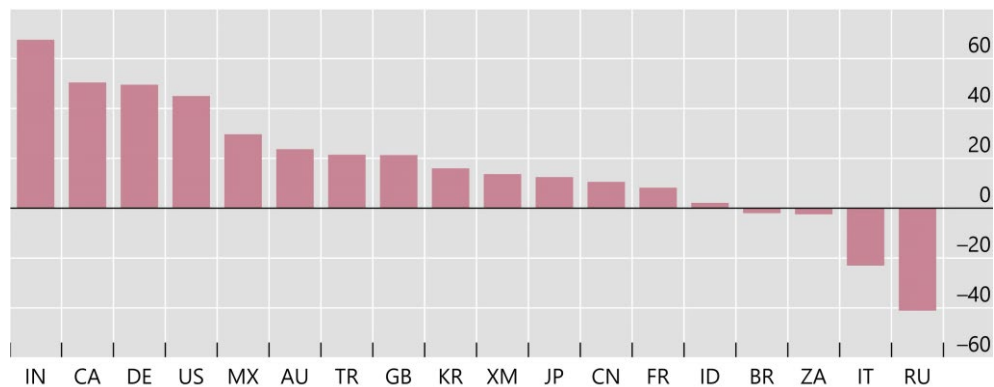
¹ 2010 = 100. ² Not including members of the euro area.

Source: BIS calculations.

Real residential property price developments in selected countries since the GFC¹

Cumulative changes since 2010, in per cent

Graph 2



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.

¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

Advanced economies

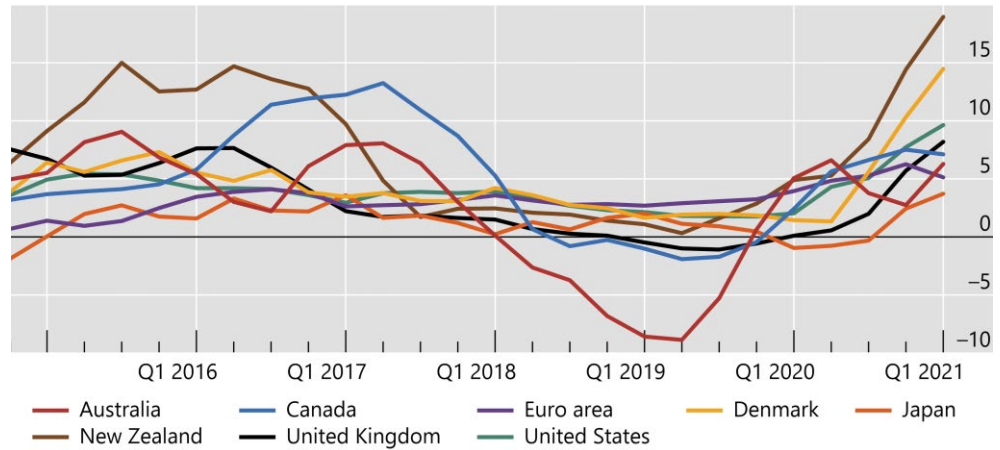
In aggregate for the group of AEs, real residential property prices soared by 7.3% year on year in Q1 2021, compared with 2.3% one year ago. This confirms the significant acceleration observed since the beginning of the Covid-19 pandemic (Graph 1, blue line). Prices grew rapidly in the United States (+10%), the United Kingdom (+8%), Canada (+7%) and Australia (+6%) and less so in Japan (+4%) (Graph 3). Double-digit house price growth was recorded in New Zealand (+19%) and Denmark (+14%).

In the euro area, real year-on-year house price inflation was slightly more subdued (+5%), with significant variations among the member states. House prices remained strong in the Netherlands (+9%), Germany (+8%) and France (+5%). But they flattened further in Italy (+1%) and Spain (+0%) (Graph 4).

Real residential property prices in selected advanced economies¹

Year-on-year changes, in per cent

Graph 3



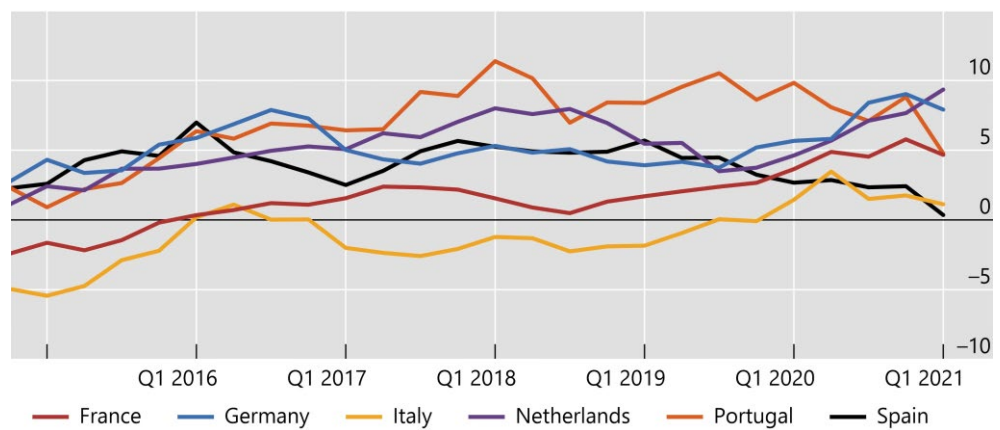
¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

Real residential property prices in selected euro area member states¹

Year-on-year changes, in per cent

Graph 4



¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

Emerging market economies

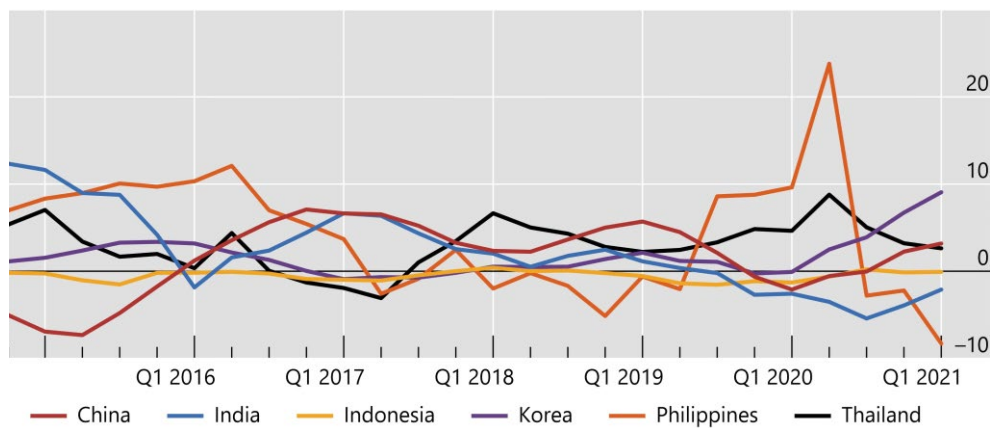
In contrast with AEs, real residential property prices have been growing moderately since the beginning of the pandemic. They rose by 2.5% year on year in the first quarter of 2021, compared with 0.1% one year before.

House price inflation remained moderate in emerging Asia (+1.5%), with significant heterogeneity across countries. Prices accelerated in Korea (+9%) and China (+3%), while they remained stable in Indonesia and kept falling in India (-2%) and the Philippines (-8%) (Graph 5).

Real residential property prices in selected emerging Asian countries¹

Year-on-year changes, in per cent

Graph 5



¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

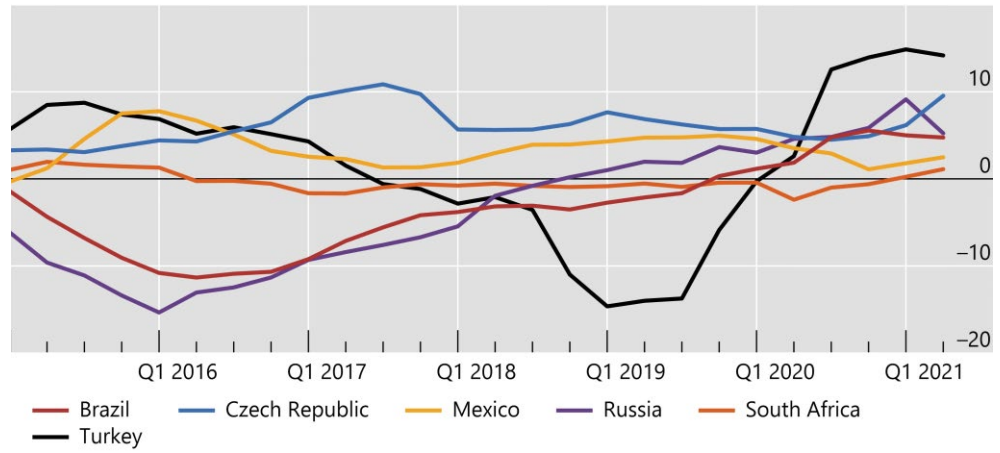
Real house inflation was slightly stronger in Latin America in aggregate (+3.0% year on year), with strong price growth recorded in Brazil (+5%).

Turning to central and eastern Europe, real prices expanded by an average of 7% year on year, led in particular by their surge in Turkey (+14%). House price inflation remained strong in the Czech Republic (+10%) and Russia (+5%) (Graph 6).

Real residential property prices in selected other emerging market economies¹

Year-on-year changes, in per cent

Graph 6



¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

Regional house price developments during the Covid-19 pandemic

Anecdotal evidence suggests that demand for housing may have shifted towards suburban and rural residential properties and away from the largest cities during the pandemic, reflecting the impact of several potential factors, such as lockdowns, restrictions, social distancing rules and home office arrangements developed to adapt to the consequences of the pandemic. Preliminary data suggest that this shift has started to be reflected in terms of regional differences among house price developments observed in a number of countries.^①

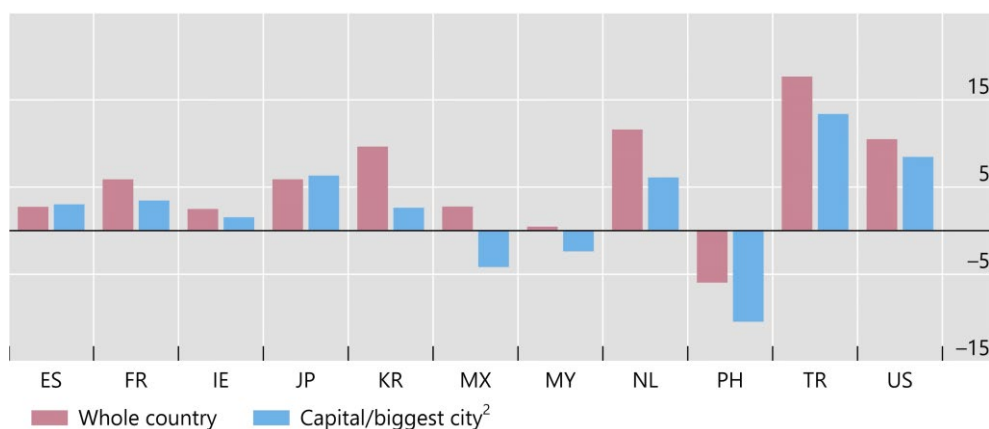
The BIS has recently expanded its [detailed residential property price data set](#) to also cover regional data for several countries.^② As a result, sub-national house price indicators are now available for most of the 60 jurisdictions covered, though with varying scope. For some jurisdictions, the regional breakdown is limited to the capital and/or the largest city. In other countries, time series are available for several big cities in parallel, or composite indicators have been developed to show price developments in specific areas, such as big and/or medium-sized cities or urban versus rural areas. In several cases, the detailed BIS data set also includes breakdowns by property vintages (eg new or existing dwellings) or types (eg single detached houses, town houses, flats). Lastly, indicators for a few countries are compiled by various alternative sources providing complementary information.

Regional information available in BIS statistics shows that since the outbreak of the Covid-19 pandemic housing inflation appears to have been less strong in capital/biggest cities compared with the other parts of the countries. Among the largest 21 jurisdictions covered, real house price inflation was lower in the capital/biggest city in 11 countries, and higher in five. This seems particularly evident in Korea and the Netherlands (with a difference of more than 5 percentage points among the various rates observed), Turkey (4 percentage points) and, to a lesser extent, France and the United States (2 percentage points in both). In Mexico and Malaysia, real house prices have risen slightly in the whole country but have fallen in the capital city, while in the Philippines they have fallen more rapidly in the capital region. In Japan, however, house prices appear to have expanded slightly more rapidly in Tokyo than in the whole country, a situation also observed in Spain (Graph A).

Real residential property prices in selected countries and areas¹

Cumulative changes since the end of 2019, in per cent

Graph A



¹ Based on quarterly averages; CPI-deflated. ² For Spain, Madrid; for France, Paris; for Ireland, Dublin; for Japan, Tokyo; for Korea, Seoul; for Mexico, Mexico City; for Malaysia, Kuala Lumpur; for the Netherlands, Amsterdam; for the Philippines, National Capital Region (16 cities including Manila); for Turkey, Istanbul; for the United States, New York-Jersey City-White Plains.

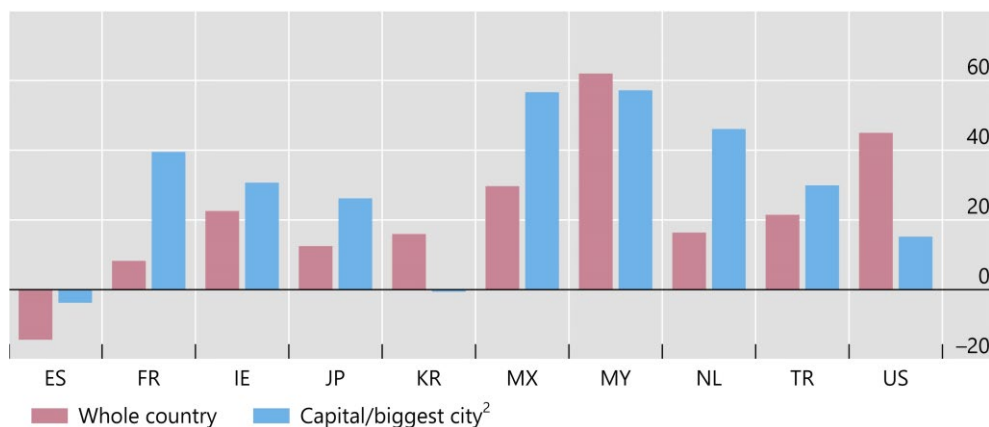
Source: BIS detailed and selected residential property price series.

These very recent developments appear to be in contrast with longer-term house price movements. When looking at the entire post-GFC period, real residential property prices have increased more in the capital/main cities than in the whole country in most jurisdictions.^③ This long-term trend has been particularly marked in France, the Netherlands and Mexico, and was also noticeable in Japan and Turkey (Graph B), while Korea and the United States have represented notable exceptions.

Real residential property prices in selected countries and areas¹

Cumulative changes since 2010, in per cent

Graph B



¹ Based on quarterly averages; CPI-deflated. ² For Spain, Madrid; for France, Paris; for Ireland, Dublin; for Japan, Tokyo; for Korea, Seoul; for Mexico, Mexico City; for Malaysia, Kuala Lumpur; for the Netherlands, Amsterdam; for the Philippines, National Capital Region (16 cities including Manila); for Turkey, Istanbul, for the United States, New York-Jersey City-White Plains.

Source: BIS detailed and selected residential property price series.

① Comparison of national and regional data faces important limitations, reflecting two main factors. First, regional house price data are still scarce and, when available, sub-national information is often limited to the capital or the largest city. Second, regional data may come from a different source and/or cover different market segments than countrywide indicators; this appears to be particularly the case for the BIS data collected on Korea and the United States. ② For the list of recently added series, see: www.bis.org/statistics/pp/newseries.htm. ③ In 13 of the 18 jurisdictions covered in the BIS sample since the GFC, real house prices have increased more in the capital/biggest city than in the rest of the country.