

Statistical release: BIS residential property price statistics in Q2 2022

- Growth in global real house prices slowed to 2.2% year on year in aggregate in the second quarter of 2022.¹ This reflected a strong increase in nominal terms (+10.6%) – largely offset by the surge in year-on-year consumer price growth rates.²
- Real house price developments continued to diverge across the main regions. They continued to increase rapidly in advanced economies (AEs, +5.3% year on year) while emerging market economies (EMEs) saw their first decline (–0.2%) since early 2016.
- Real house prices surged in Turkey (50%), the United States (9%), Australia, Canada (both 8%) and Japan (7%). They fell by 6% in Brazil and 4% in China and India.
- In real terms, global house prices now exceed their immediate post-GFC average levels by 27% (40% in the AEs and 18% in the EMEs).

Summary of latest developments

In the second quarter of 2022, global real house prices growth moderated to 2.2% year on year in aggregate. This reflected a strong increase in nominal terms (+10.6%), offset by the rapid acceleration in year-on-year consumer price growth rates (CPIs).

Real house price growth lost some momentum in advanced economies (AEs), at +5.3% (down from 7.9% in Q1 2022) and turned negative in EMEs, at –0.2%, after a 1.7% increase in the previous quarter (Graph 1). The slight fall recorded by EMEs was driven mainly by the Latin American and Asian regions (–3.8% and –3.3% respectively), while real prices surged in central and eastern Europe (+18%).

Country-level data³ show that strong housing inflation was well distributed among AEs, where real residential property prices increased year on year in 75% of the jurisdictions in the second quarter of 2022 – with increases above 5% year on year

¹ Real residential property prices refer to nominal residential property price indicators deflated by the consumer price index. Global figures 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, Czechia, 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. Regional aggregates have been available since 2007.

² The year-on-year change in consumer price index was higher in Q2 2022 than in Q1 2022 in all but one of the economies covered in the BIS data set. Residential property price developments in nominal terms are shown in the Annex.

³ As regional aggregate developments are driven mainly by property price changes in major economies, they can mask detailed country-level features presented in the histogram.

recorded in one third of the cases. In contrast, house prices fell in 60% of the EMEs, up from less than 50% in Q1 2022 (Graph 2).

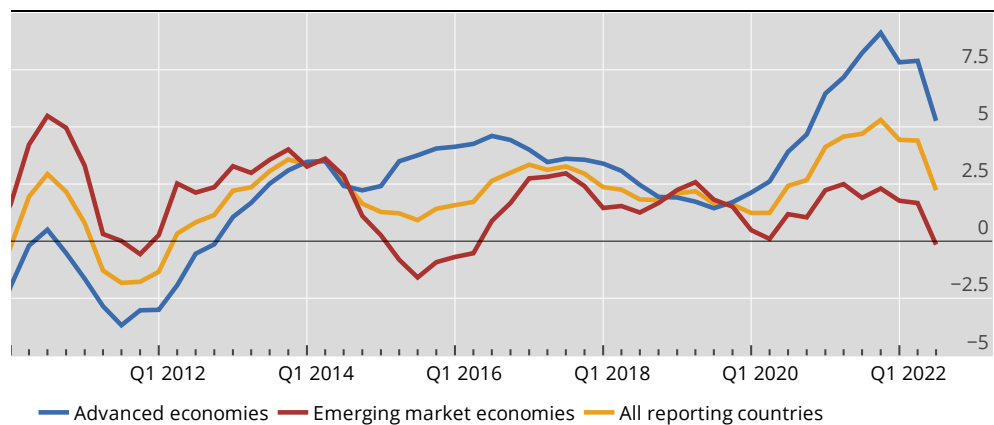
Despite the recent global slowdown, there has been a significant rise in global real residential prices since the outbreak of the Covid-19 pandemic. Compared with Q4 2019, they have increased by 9% globally, and in particular by 85% in Turkey and 23% in Australia, Canada, and the United States. In contrast, real prices have fallen by 8% in India since the end of 2019 (Graph 3).

From a longer-term perspective, global house prices now exceed (in real terms) their immediate post-GFC average by 27% (and by 40% and 18% for AEs and EMEs, respectively (Table 1)). Among the G20 economies, real prices have almost doubled since 2010 in Turkey and Canada (+90% in both economies) and they have risen by around 60% in the Germany, India and the United States. At the other end of the scale, they remain well below their post-GFC levels in Italy, by 24%.

Aggregate developments in real residential property prices¹

Year-on-year changes, in per cent

Graph 1



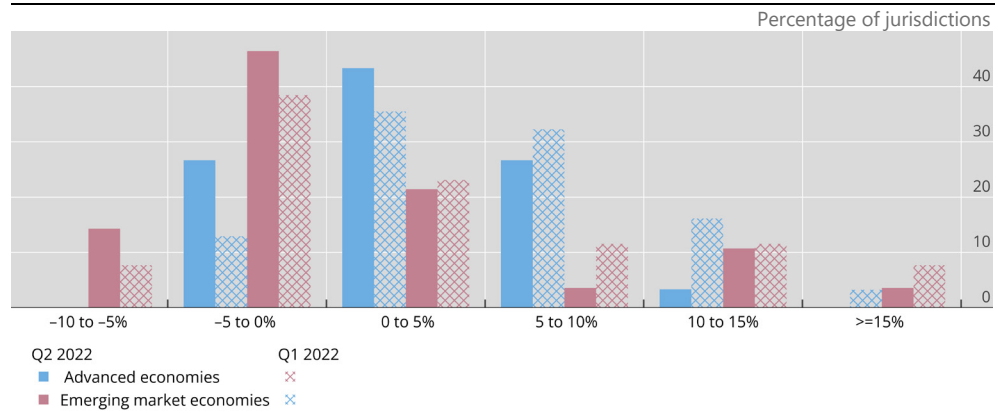
¹ Based on quarterly averages; CPI-deflated.

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

Real residential property price changes¹

Distribution of year-on-year changes

Graph 2



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, Q2 2022

Table 1

	Cumulative from 2010 ¹	Year-on-year
All reporting countries	27.4	2.2
Advanced economies	39.6	5.3
Non-European countries	55.0	8.2
Euro area	16.3	1.1
European countries outside the euro area	33.0	1.4
Emerging market economies	18.2	-0.2
Latin America	15.0	-3.8
Asia	22.3	-3.3
Central and eastern Europe ²	5.0	17.6
Middle East and Africa	12.0	1.6

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

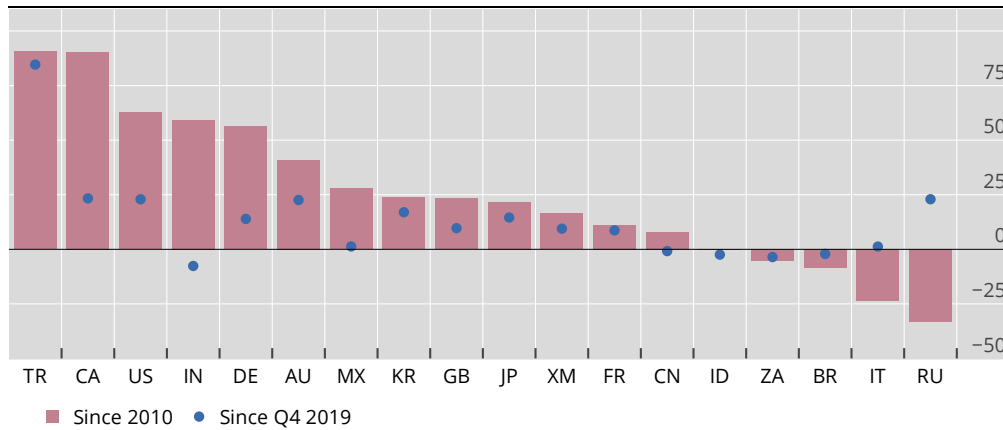
¹ 2010 = 100. ² Excluding members of the euro area.

Source: BIS calculations.

Real residential property price developments in selected G20 jurisdictions since the GFC and since the start of the Covid-19 pandemic¹

Cumulative changes, in per cent

Graph 3



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

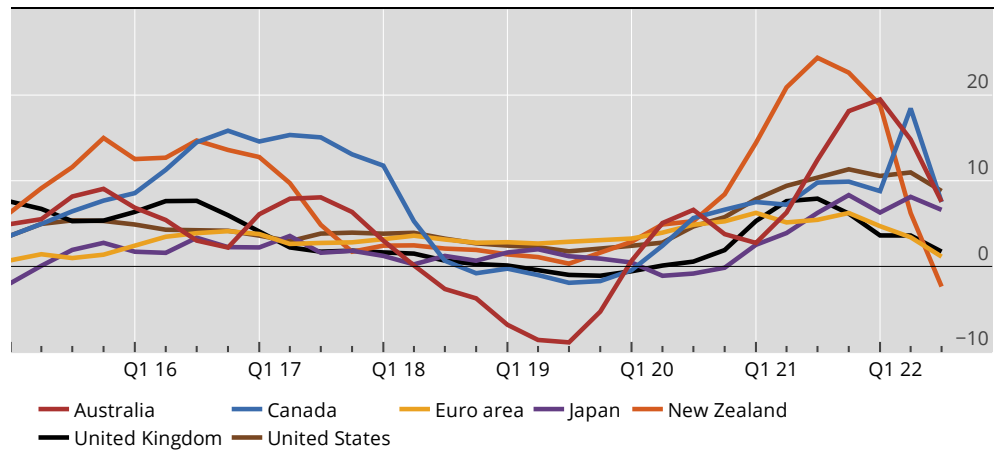
In aggregate for the group of AEs, real residential property prices grew by 5.3% in Q2 2022, down from 7.9% in Q1 2022. They rose vigorously in several jurisdictions, by 9% in the United States, 8% in Australia and Canada, and 7% in Japan. Growth was more moderate in the United Kingdom (+2%) and a 2% decline was recorded in New Zealand (Graph 4).

Prices were up by 1% in the euro area, where developments continued to vary significantly among member states. Strong real house price growth persisted in the Netherlands (+8%) and Portugal (+5%). Prices kept growing somewhat in Germany (+2%) and France (+1%), but fell in Spain (-1%) and Italy (-2%) (Graph 5).

Real residential property prices in selected advanced economies¹

Year-on-year changes, in per cent

Graph 4



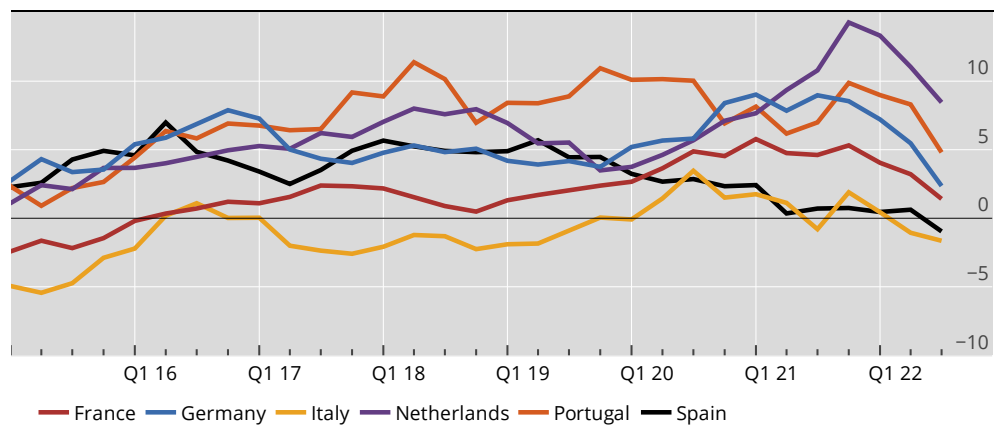
¹ Based on quarterly averages; CPI-deflated.

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 5



¹ Based on quarterly averages; CPI-deflated.

Source: BIS selected residential property price series.

Emerging market economies

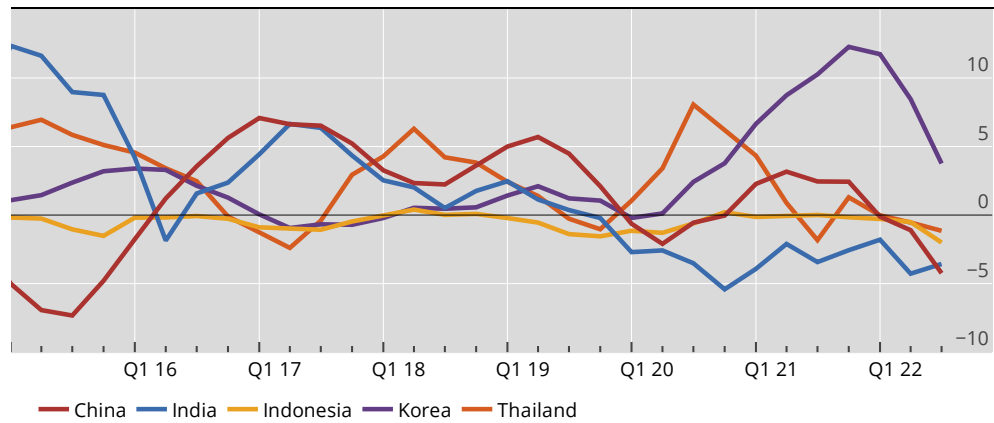
In contrast to AEs, real residential property prices fell moderately in EMEs during the second quarter of 2022, by 0.2% year on year compared with growth of 1.7% in Q1 2022.

Among the Asian economies (-3.3% in aggregate), they were up in Korea (+4%), but fell in Thailand (-1%), Indonesia (-2%), India and China (both -4%) (Graph 6).

Real residential property prices in selected emerging Asian countries¹

Year-on-year changes, in per cent

Graph 6



¹ Based on quarterly averages; CPI-deflated.

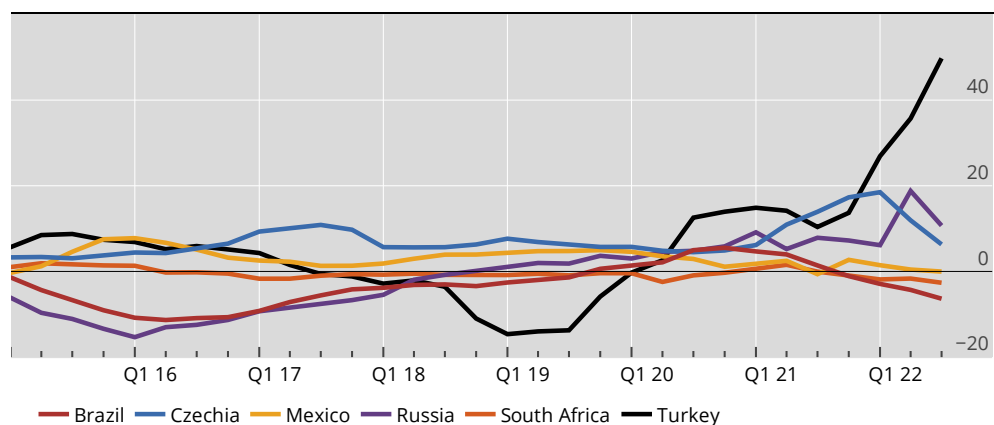
Source: BIS selected residential property price series.

In Latin America (−3.8% in aggregate), prices remained flat in Mexico and declined in Brazil (−6%). Among the central and eastern European countries (+17.6% in aggregate), real property prices surged by 50% in Turkey and 6% in Czechia. Lastly, prices fell by 3% in South Africa (Graph 7).

Real residential property prices in selected other emerging market economies¹

Year-on-year changes, in per cent

Graph 7



¹ Based on quarterly averages; CPI-deflated.

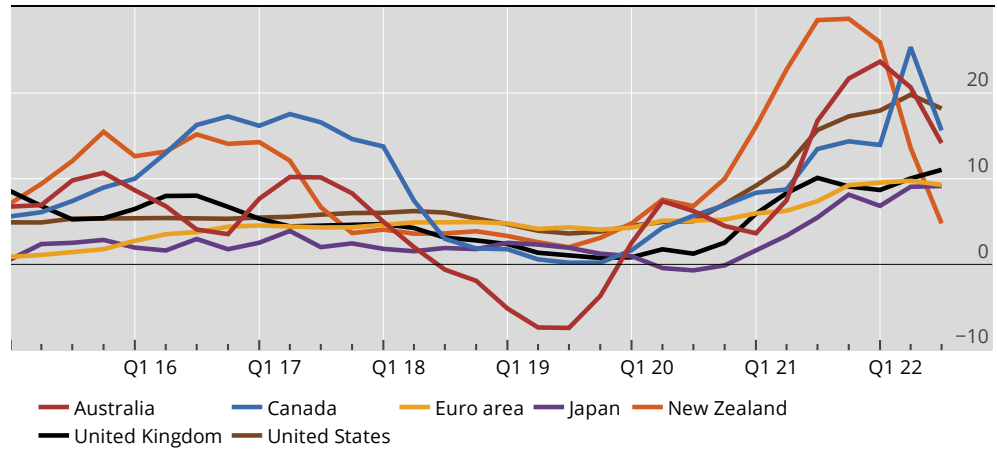
Source: BIS selected residential property price series.

Annex: Nominal house price developments

Nominal residential property prices in selected advanced economies¹

Year-on-year changes, in per cent

Graph A.1



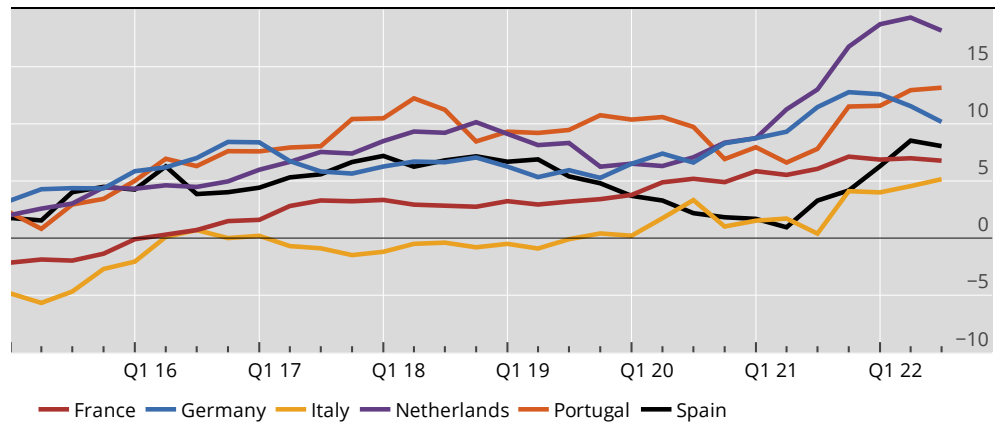
¹ Based on quarterly averages.

Source: BIS selected residential property price series.

Nominal residential property prices in selected euro area member states¹

Year-on-year changes, in per cent

Graph A.2



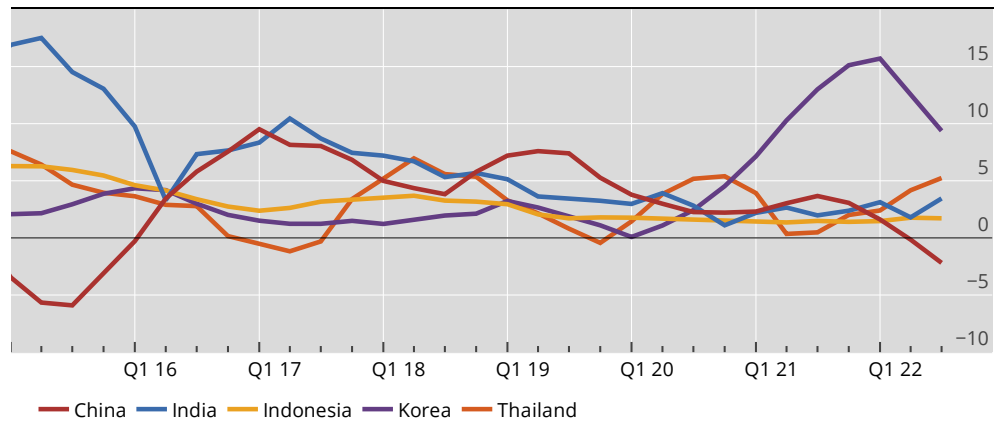
¹ Based on quarterly averages.

Source: BIS selected residential property price series.

Nominal residential property prices in selected emerging Asian countries¹

Year-on-year changes, in per cent

Graph A.3



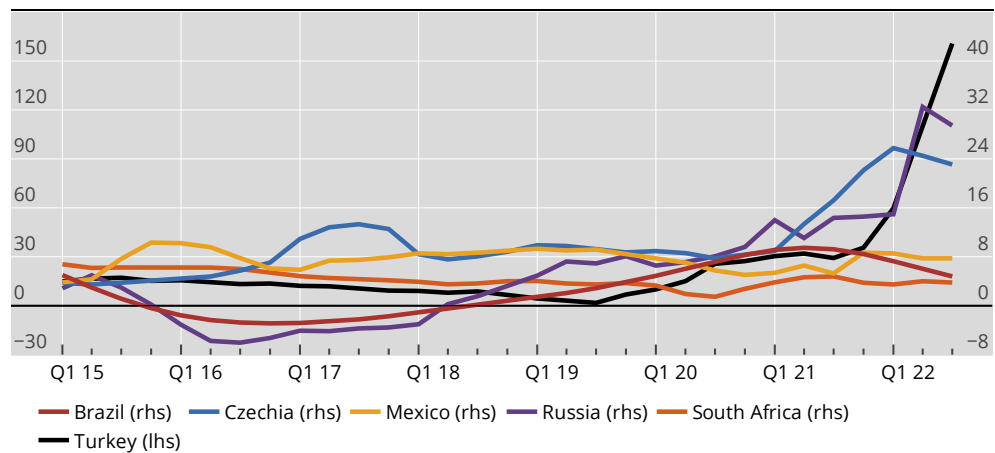
¹ Based on quarterly averages.

Source: BIS selected residential property price series.

Nominal residential property prices in selected other emerging market economies¹

Year-on-year changes, in per cent

Graph A.4



¹ Based on quarterly averages.

Source: BIS selected residential property price series.