Correlations between real house prices and output gap

Correlations between real residential investment and output gap

Source: IMF staff calculations.

1Real house prices and real residential investment are expressed as deviations from a log-linear trend.

2Correlations between output gap at $t=0$ and real house prices at $t=–8...+8$. For example, a positive correlation at $t=2$ means house prices lag output gap by two quarters.

3Correlations between output gap at $t=0$ and real residential investment at $t=–8...+8$. For example, a positive correlation at $t=–2$ means residential investment leads output gap by two quarters.