

Global Housing Watch: IMF's House Price Index for Emerging Markets



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Four questions

1. What do we know about house price data availability in emerging markets?
2. What are the facts, assumptions, and problems about house price data?
3. What does the IMF's *Global Housing Watch* bring to the table?
4. What is the current state of house prices in emerging markets?

What do we know about house price data availability in emerging markets?

- The data is available for thirty countries
- The time series and frequency varies across countries and sources. Similarly, some sources provide real and/or nominal house prices
- List of data providers: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development.

Facts, Assumptions, and Problems

- **Fact:** House price index (HPI) is a measure of prices at which dwellings are bought and sold over time
- **Assumption:** HPI is generally assumed to be representative and comparable across countries
- **Problem:** The measurement of HPIs differ across countries (e.g. area covered, property type, etc)

Comparison of real house price growth across institutions for selected countries

	Latest Quarter	Bank for International Settlements	EuroStat	Federal Reserve Bank of Dallas	Global Property Guide	Haver Analytics	Organisation for Economic Co-operation and Development	Scotiabank	Standard Deviation
Brazil	2014:Q1	3.9	—	—	7.3	6.5	5.7	2.9	1.8
China	2014:Q2	5.1	—	—	5.6	5.4	5.4	5.2	0.2
India	2014:Q1	5.7	—	—	-7.8	2.8	—	-5.3	6.4
Mexico	2014:Q1	0.8	—	—	—	0.8	0.6	0.9	0.1
Russia	2014:Q2	-5.9	—	—	-6.0	-6.0	—	-6.4	0.2
South Africa	2014:Q2	2.2	—	3.1	0.3	2.7	-1.7	—	2.0
Turkey	2014:Q2	2.2	—	—	5.9	2.2	5.9	—	2.1

Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development

House prices in emerging markets ranked by annual percentage growth

Rank	Bank for International Settlements	Global Property Guide	Haver Analytics
1	India 5.7	Brazil 7.3	Brazil 6.5
2	China 5.1	Turkey 5.9	Poland 6.3
3	Malaysia 4.4	China 5.6	Malaysia 6.0
4	Brazil 3.9	Malaysia 4.4	Thailand 5.5
5	Thailand 3.6	Poland 3.6	China 5.4
6	Poland 2.7	Czech Republic 2.8	India 2.8
7	Bulgaria 2.4	Bulgaria 2.3	South Africa 2.7
8	Turkey 2.2	Thailand 2.3	Turkey 2.2
9	South Africa 2.2	Indonesia 0.7	Czech Republic 2.2
10	Czech Republic 1.5	South Africa 0.3	Bulgaria 2.2
11	Indonesia 0.2	Russia -6.0	Indonesia 0.2
12	Romania -4.3	Romania -6.7	Romania -4.8
13	Russia -5.9	India -7.8	Russia -6.0

Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development

So, how do we get a better picture of the housing sector?

The screenshot shows the IMF Global Housing Watch website. Red circles highlight the following elements:

- GLOBAL HOUSING WATCH** (main header)
- UNITED ARAB EMIRATES: SELECTED ISSUES** (article title)
- EMAIL NOTIFICATION SIGN-UP** (newsletter sign-up)
- Join the conversation** (social media link)
- Global House Price Index** (chart title)
- Get the data** (data link)

Global House Price Index

Inching up
The IMF's global house price index continues to inch up.

Year	Equally weighted	Weighted by GDP
2000q1	100	100
2004q4	115	110
2009q3	145	125
2014q2	140	120


IMF's *Global Housing Watch*: www.imf.org/housing

House Prices Around the World



Global Housing Watch Quarterly Update October 2014

Developments in real estate markets have led to seemingly contradictory concerns about both overheating and slow recovery. This dichotomy reflects the fact that housing markets across the globe have broadly followed a two-speed pattern: in one group of countries, housing markets quickly rebounded after modest declines during the Great Recession, while in the other group they are still recovering from much sharper declines. Read more...



SWITZERLAND: TECHNICAL NOTE

Macroprudential Institutional Arrangements and Policies

Current macroprudential policies appear well balanced, but some reforms of the framework should be considered. Further tightening and additional tools to address potential imbalances in the housing and mortgage markets may be warranted.



Related Information

- Seven Questions on the Global Housing Markets ▶
- Blog: Era of Benign Neglect of House Price Booms is Over ▶
- New Global Housing Watch Throws Spotlight on Booms and Busts ▶
- Speech: Housing Markets, Financial Stability and the Economy ▶
- IMF News on House Prices ▶
- IMF Publications on Housing Prices ▶
- Jobs and Growth ▶

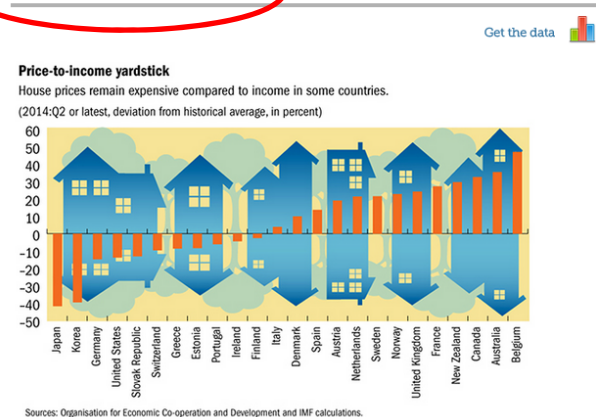
Conferences

- International Conference on 'Housing Sector, Growth and Financial Stability' ▶ December 11-13, 2014
- Housing Markets and the Macroeconomy: Challenges for Monetary Policy and Financial Stability ▶ June 5-6, 2014
- Housing, Stability and the Macroeconomy: International Perspectives ▶ November 14-15, 2013

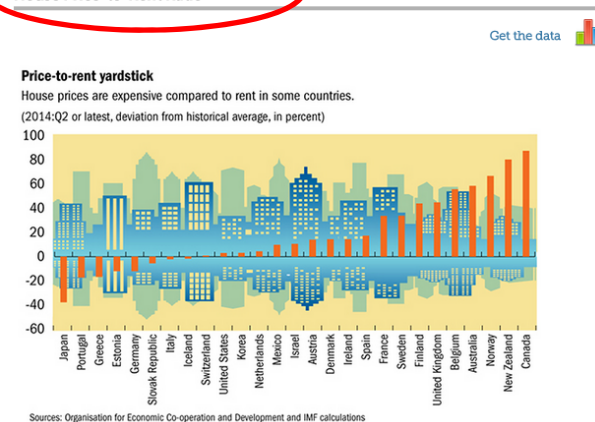
Resources on Housing Prices

- OECD Statistics ▶
- BIS Property price statistics ▶
- Knight Frank ▶
- Global Property Guide ▶

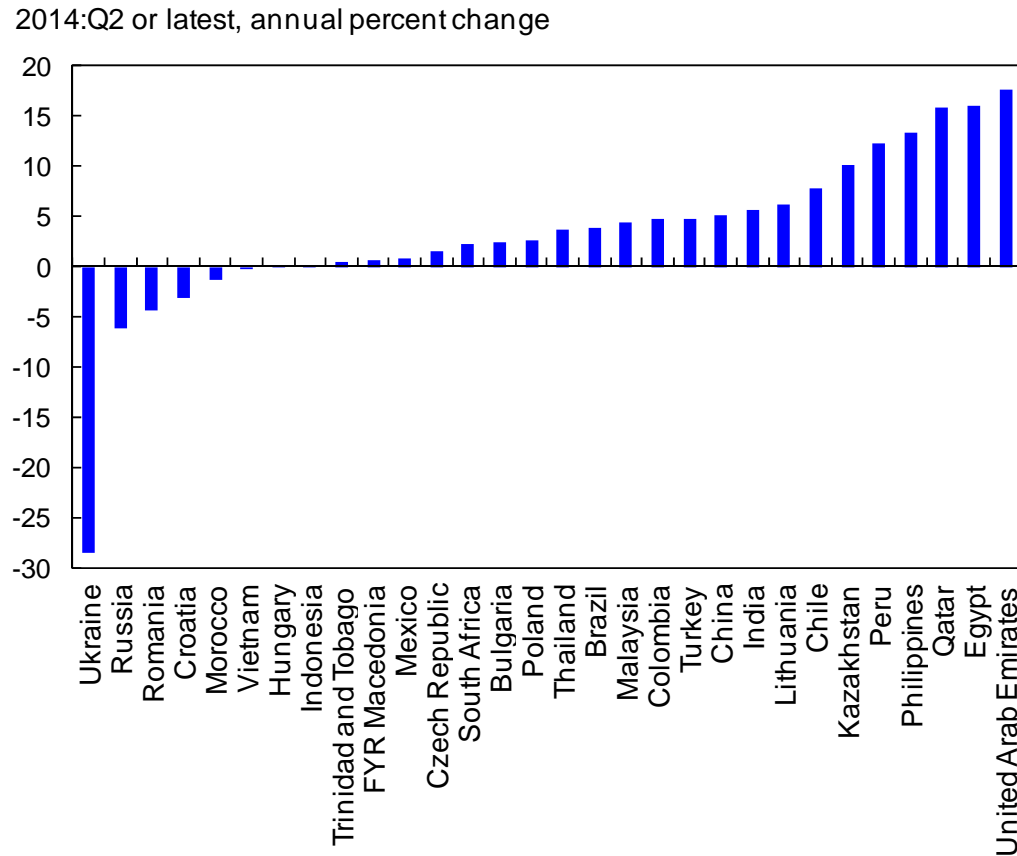
House Price-to-Income Ratio



House Price-to-Rent Ratio



Real house price growth across emerging markets



Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development

IMF's assessment of housing markets for selected countries

Country (date of assessment)	Assessment
Chile (July 2014)	Real estate remains dynamic. Real mortgage credit expanded by 9 percent (y/y) in April, and house prices, following some deceleration, are rising again though with large regional variation.
China (July 2014)	The real estate sector (...) has shown growing signs of imbalances and activity has softened in 2014. The challenge is to allow for the necessary correction while preventing an excessively sharp slowdown. The contribution of real estate and construction to growth has been rising; last year, it accounted directly for 12.8 percent of value added, and about 33 percent if upstream and downstream sectors are included. Residential real estate is marked by substantial regional differentiation.
Colombia (June 2014)	Housing prices have increased substantially in recent years. House prices have nearly doubled in real terms over the last decade and are 20 percent above the peak in 1996, driven mainly by prices in the capital and two other cities. (...) Mortgages have increased more recently but credit risks appear to be largely under control.
Czech Republic (September 2014)	Real estate prices are in a modest recovery trend

Source: IMF Staff

House price data in emerging markets

Country	Source	Start Date	Frequency	Real or Nominal	Description	Original Source
Brazil	Bank for International Settlements	2001:Q1	quarterly	R	All types of new and existing dwellings in metropolitan area. Residential property prices, selected, real, 2010 = 100	Banco Central do Brasil
	Global Property Guide	2008:Q1	monthly	R	FipeZap price index of real estate, Sao Paulo	Fundação Instituto de Pesquisas Econômicas
	Haver Analytics	2010:Q4	quarterly	N	HPI: sale price: national composite (NSA, Aug-10=100)	Fundação Instituto de Pesquisas Econômicas
	Organisation for Economic Co-operation and Development	2008:Q1	quarterly	R	Index of dwelling prices	Fundação Instituto de Pesquisas Econômicas
Bulgaria	Bank for International Settlements	2009:Q1	quarterly	N	Residential property prices, all flats, per square meter, q-all nsa. Whole country, flats. Vintage: all.	National Statistical Office
	EuroStat	2009:Q1	quarterly	N	House price index (2010 = 100)	N/A
	Global Property Guide	1995:Q1	quarterly	R	Average market prices of dwellings	National Statistics Office
Chile	Bank for International Settlements	2002:Q1	quarterly	N	Residential property prices, all dwellings, pure price, q-all, nsa. Whole country, all properties. Vintage: all.	Central Bank
	Bank for International Settlements	2002:Q1	quarterly	N	Residential property prices, all houses, pure price, q-all, nsa. Whole country, single-family houses. Vintage: all.	Central Bank
	Bank for International Settlements	2002:Q1	quarterly	N	Residential property prices, all flats, pure price, q-all, nsa. Whole country, flats. Vintage: all.	Central Bank
	Haver Analytics	2004:Q1	quarterly	R	Real new housing price index: Gran Santiago, house (NSA, 2004=100)	Cámara Chilena de la Construcción

Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development

List of countries that are included in the EME index and their respective weights

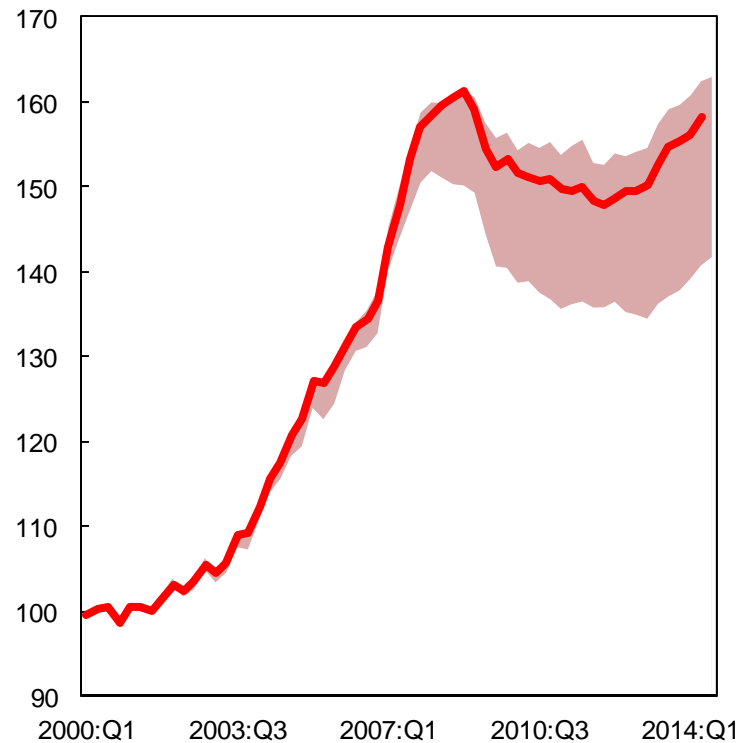
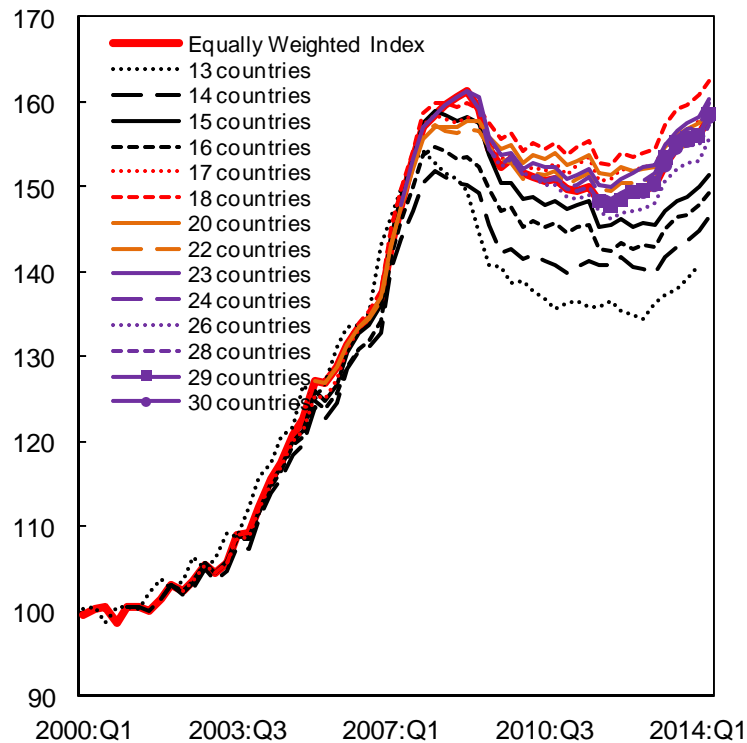
Country	Weight (%)
China	34.2
India	10.5
Brazil	8.6
Mexico	7.8
Russia	7.4
Turkey	4.8
Indonesia	3.2
Poland	3.1
South Africa	2.3
Thailand	1.7
United Arab Emirates	1.7
Colombia	1.5
Malaysia	1.5
Chile	1.2
Czech Republic	1.1

Country	Weight (%)
Philippines	1.1
Egypt	1.0
Qatar	0.9
Romania	0.9
Peru	0.9
Hungary	0.8
Ukraine	0.7
Vietnam	0.7
Kazakhstan	0.7
Morocco	0.6
Croatia	0.3
Bulgaria	0.3
Lithuania	0.2
Trinidad and Tobago	0.1
FYR Macedonia	0.1

The countries included in the EME index enter at different points...

- 2000 Q1: Bulgaria, Colombia, Croatia, Czech Republic, Hungary, Indonesia, Lithuania, Malaysia, Peru, Philippines, Poland, South Africa, and Thailand
- 2001 Q1: Brazil
- 2001 Q4: Russia
- 2002 Q1: Chile
- 2002 Q2: India
- 2003 Q1: China
- 2005 Q2: Macedonia and Mexico
- 2006 Q2: Morocco and Kazakhstan
- 2007 Q2: United Arab Emirates
- 2008 Q4: Trinidad & Tobago
- 2009 Q2: Romania and Vietnam
- 2010 Q2: Turkey and Ukraine
- 2011 Q4: Qatar
- 2012 Q3: Egypt

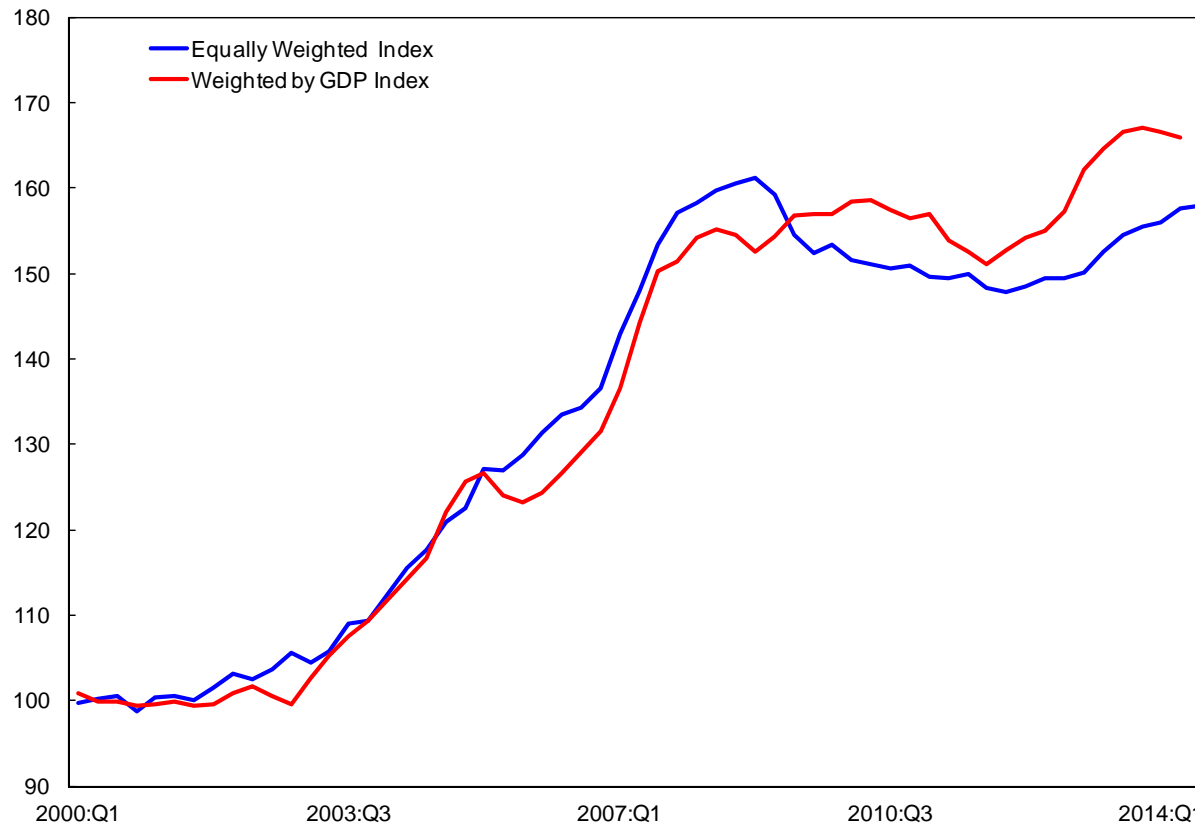
Equally weighted index: the impact of countries entering at different points



Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development

What is the current state of house prices in emerging markets?

Emerging Markets Housing Index



Source: Bank for International Settlements, EuroStat, Federal Reserve Bank of Dallas, Global Property Guide, Haver Analytics, and Organisation for Economic Co-operation and Development