Global developments explain 40 percent of real house price movements, reflecting the importance of international linkages in the housing markets.

**Figure 2.5. Variance Decomposition of House Prices**

*(Percent change; constant prices)*

Global developments explain 40 percent of real house price movements, reflecting the importance of international linkages in the housing markets.

Sources: Haver Analytics; IMF, International Financial Statistics; national sources; OECD; and IMF staff calculations.