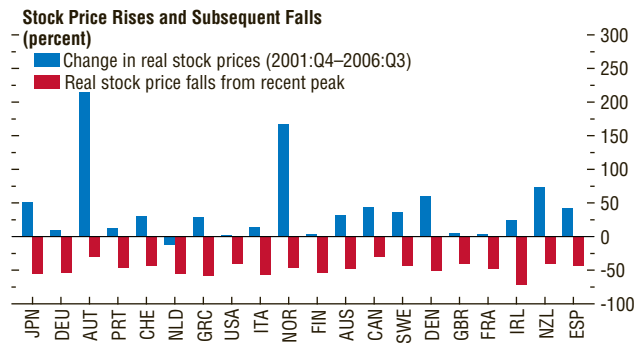
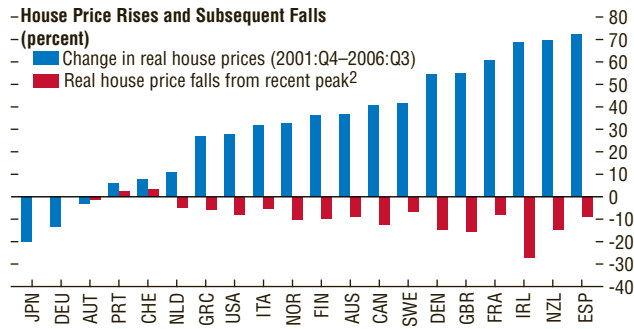
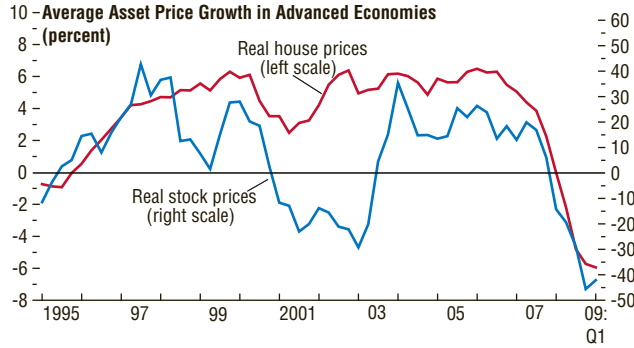


Figure 3.7. Recent Developments in House and Stock Prices¹

With the exception of Germany and Japan (which are experiencing secular declines in house prices), most economies have experienced strong rises in asset prices, followed by sharp falls. The extent of house price falls is related to the extent of previous house price rises. The extent of recent stock price falls is similar across countries but does not closely relate to the extent of previous rises.



Sources: Bank for International Settlements; Bloomberg Financial Markets; Haver Analytics; IMF, *International Financial Statistics*; Organization for Economic Cooperation and Development; and IMF staff calculations.

¹AUS: Australia; AUT: Austria; BEL: Belgium; CAN: Canada; CHE: Switzerland; DEN: Denmark; DEU: Germany; ESP: Spain; GBR: United Kingdom; GRC: Greece; FIN: Finland; FRA: France; IRL: Ireland; ITA: Italy; JPN: Japan; NLD: Netherlands; NOR: Norway; NZL: New Zealand; PRT: Portugal; SWE: Sweden; USA: United States.

²Not shown for Germany and Japan as real prices declined through the 2001:Q4-2006:Q3 period.