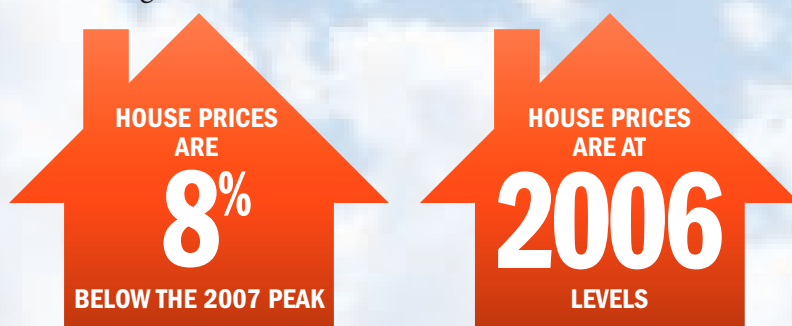


Global House Prices

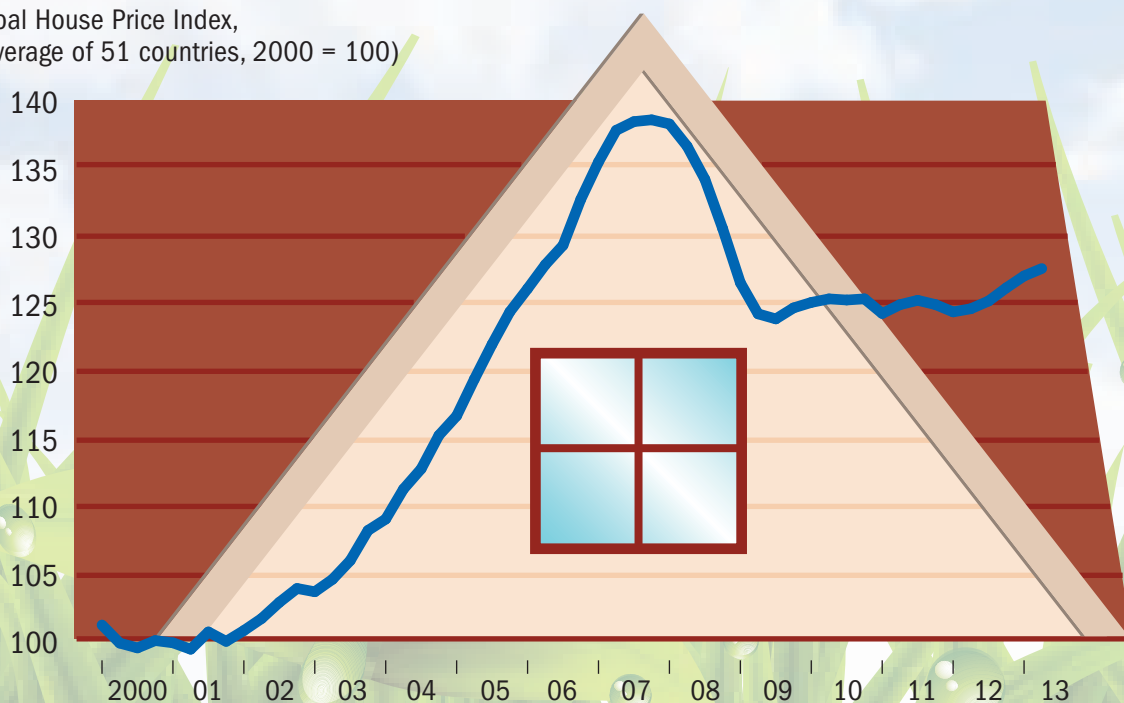
INCHING UP **The housing market is recovering, but real estate in many countries is still overvalued**

GLOBAL house prices rose another notch in the second quarter of 2013. This marks the sixth consecutive quarter of growth since the beginning of 2012. House prices rose in 32 of the 51 advanced and emerging market economies in the IMF's Global House Price Index, compared with increases in 9 countries in the second quarter of 2009, when the housing crisis was in full swing. Among Organisation for Economic Co-operation and Development (OECD) members, increases and declines are more evenly balanced. But in many OECD countries, the ratio of house prices to rents—a typical measure of house price valuation—remains above historical averages, leaving room for price corrections down the road. In Canada, for example, the ratio is 85 percent above the average.



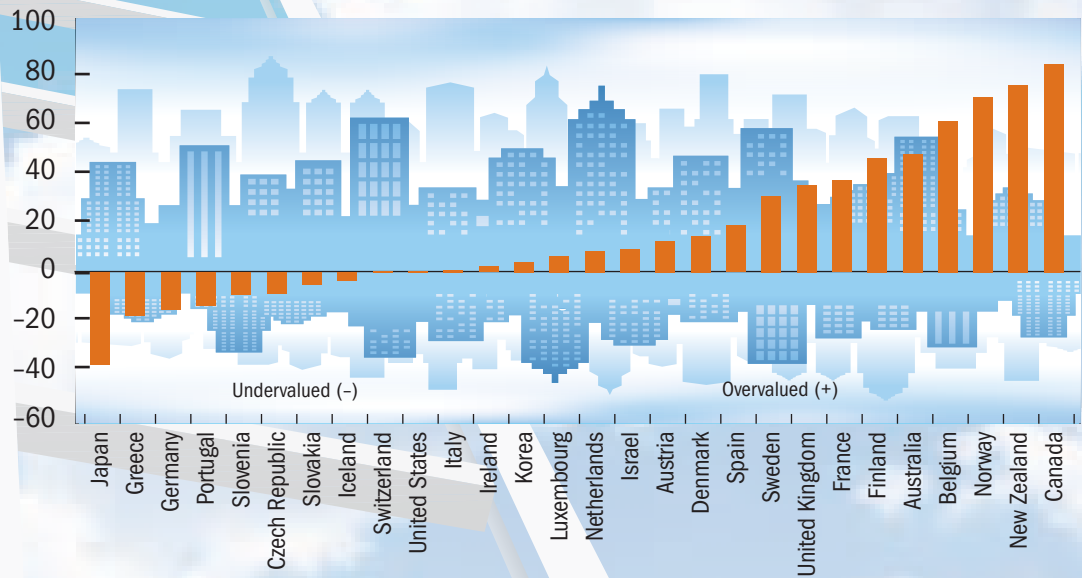
House prices rise, but pace is slow

(IMF Global House Price Index, simple average of 51 countries, 2000 = 100)



The price is not right

(house-price-to-rent ratio, 2013:Q2, deviation from historical average)



Highest home price increases

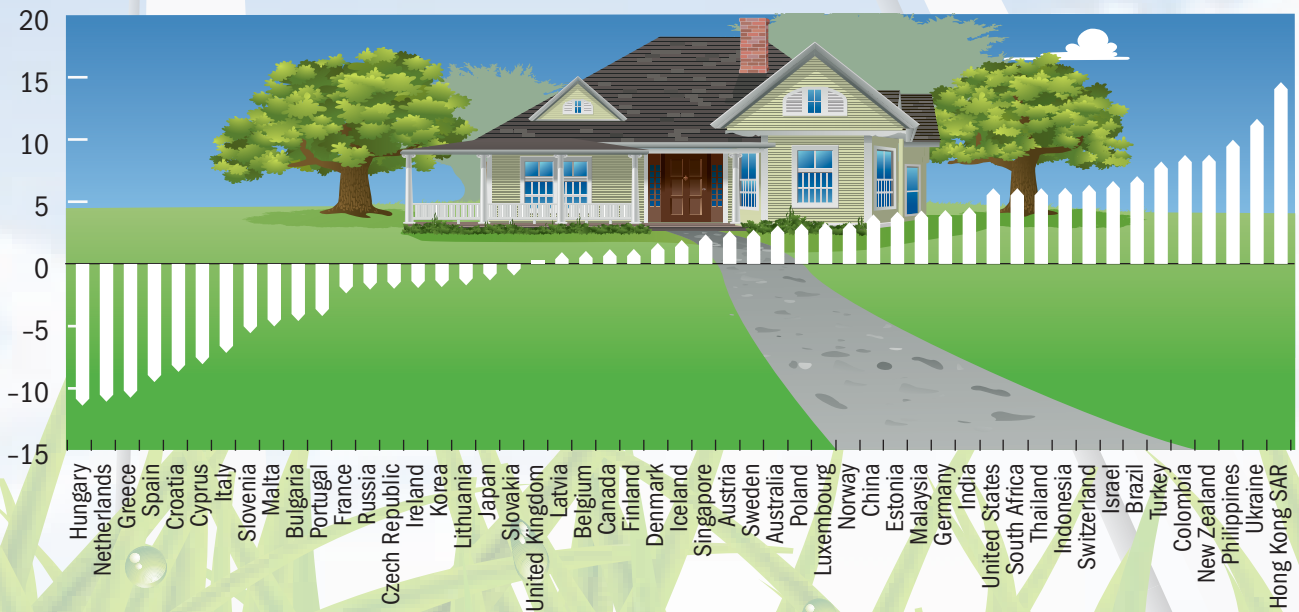
-  Hong Kong SAR **+15%**
-  Ukraine **+12%**
-  Philippines **+10%**

Biggest home price decreases

-  Hungary **-11%**
-  Netherlands **-11%**
-  Greece **-11%**

House prices around the world

(annual percent change, 2013:Q2)



Prepared by Hites Ahir and Prakash Loungani of the IMF's Research Department. The data are derived from the Organisation for Economic Co-operation and Development, Global Property Guide, and Haver Analytics. Unless noted otherwise, data are for the second quarter of 2013 or the latest available.