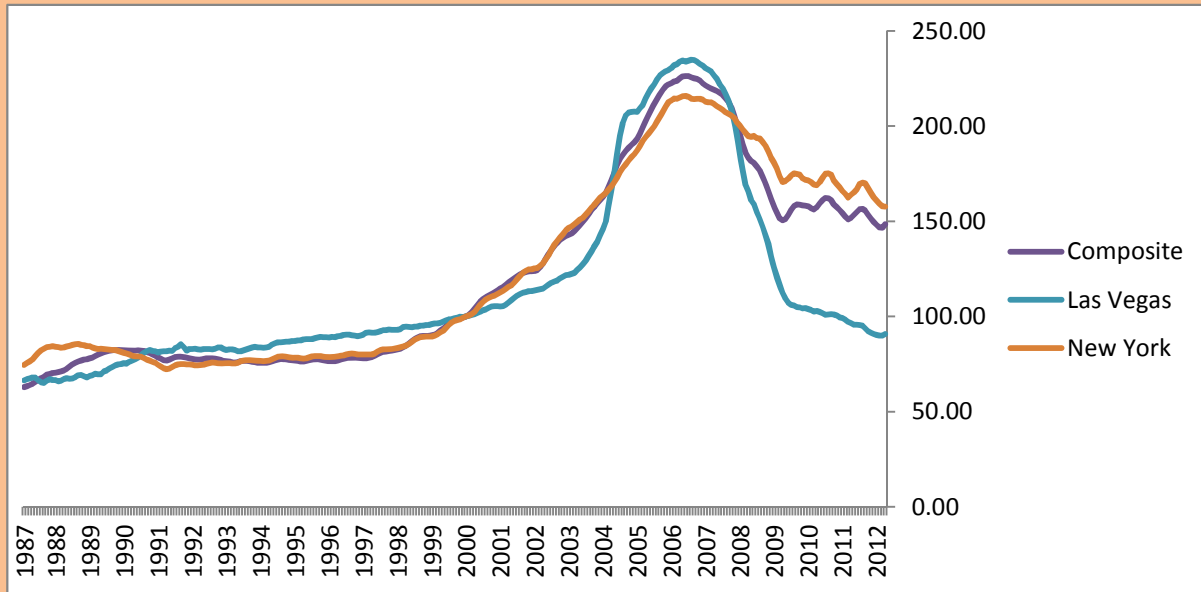


House prices in the financial crisis

House prices in the United States rose steadily in the years to 2006. Then in July of that year they started to fall. By March 2012 the Case-Shiller index of house prices in ten metropolitan areas had fallen 35% from its peak. Some cities suffered a much more severe decline. In Las Vegas house prices in March 2012 were 62% below their 2006 peak. The following figure charts house prices from 1987 to 2012:



The following table shows changes in house prices in a sample of countries. While some, such as Hong Kong and Singapore, had booming markets, others such as Ireland and Spain, suffered sharply declining prices:

	<u>Price change since 2007, %</u>
Hong Kong	72.0
Singapore	34.1
China	23.2
Canada	19.8
Switzerland	19.5
Australia	15.5
Belgium	15.2
Austria	12.7
Sweden	11.2
South Africa	10.7
Germany	6.6
France	5.8
New Zealand	-2.3
Italy	-5.2
Netherlands	-6.7
UK	-10.3
Japan	-12.1
Spain	-16.8
Denmark	-17.2
Ireland	-48.0

Source: *The Economist*, March 31, 2012