



Our Flash Estimate

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The ASR Global House Price Index aims to plug a gap for a timely aggregate house price measure

We follow the Dallas Fed's methodology, but use up-to-date, monthly series where possible to estimate the current figures

We estimate that global house price inflation has fallen to 5.9% YoY in October, down from its 14.9% peak back in February

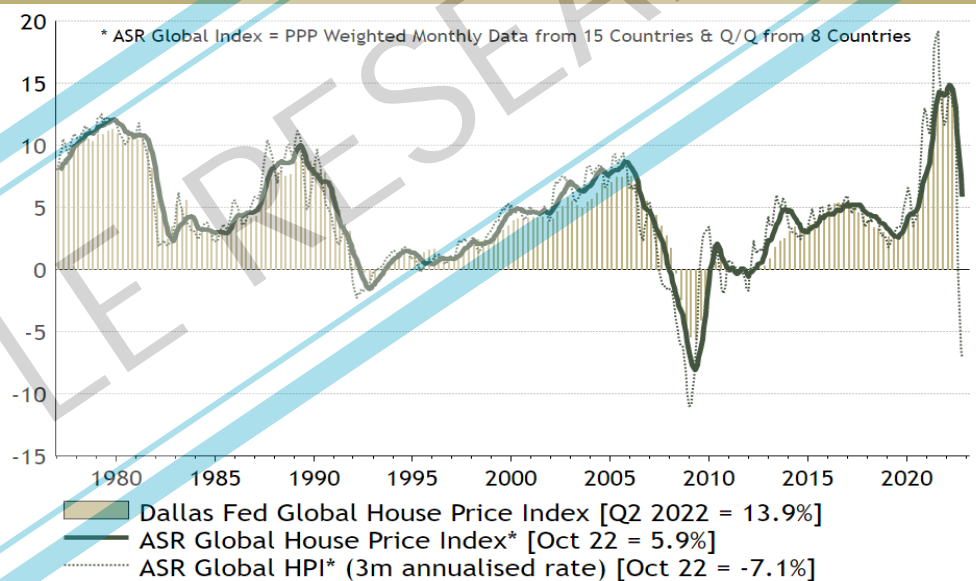
Over the last 3 months, our index has fallen at an annualised rate of approximately -7%

ASR Global House Price Index: October 2022

- The ASR Global House Price Index provides a more timely estimate than other measures of house prices
- Annual global house price inflation fell to 5.9% in October; prices have fallen 7% annualised over the last 3 months
- Our flash estimate indicates that the US and 'the CANNs' have suffered the biggest price drops over the last 3 months

Despite the importance of housing to the global economy, there is limited timely coverage of global house price inflation. While both the [BIS](#) and the [Dallas Fed](#) produce their own indices, these are quarterly data and can be up to half a year out of date. The aim of our global index was to plug this gap for a timely, monthly series tracking global house price inflation. We attempted to mimic the Dallas Fed's methodology, but using up-to-date, monthly series wherever possible and interpolating where not in order to create a 'flash' estimate of global and regional house prices (see our [Methodology note here](#)).

Chart 1: ASR's Monthly Global House Price Index - October 2022

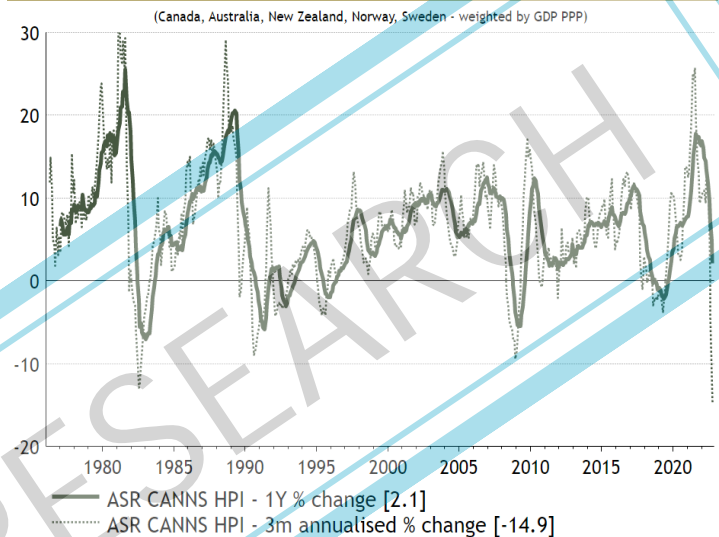
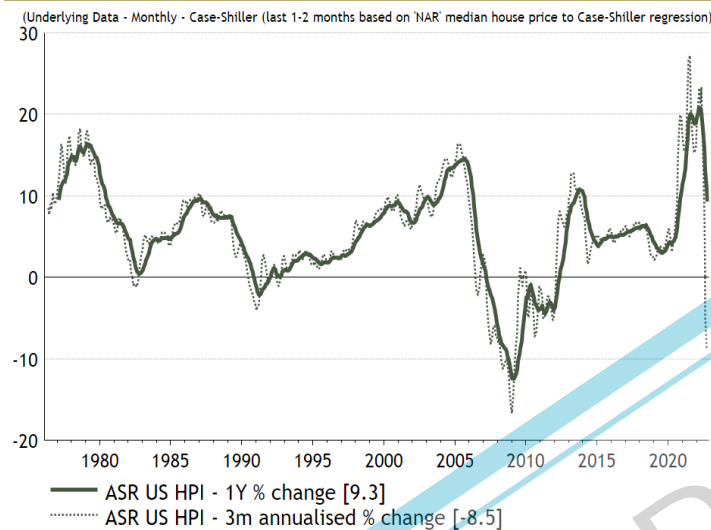


Source: ASR Ltd. / Refinitiv Datastream / Dallas Fed

From the latest October data, we estimate that the annual rate of global house price inflation fell to 5.9%, and that over the last 3 months prices have fallen at an annualised rate of about -7%. As seen in **Chart 1**, this is already not far off the levels of the 2008-09 housing crash. As seen in the summary table, house prices are falling in each of the main regions that we track – however the effect seems to be more dramatic in the US and in the CANNs. We estimate that US house price inflation (based on Case-Shiller & brought forward using the more volatile NAR series) has come down to around 9.1%, way down from its peak of 20.9% back in March (**Chart 2**). Our CANNs index (Canada, Australia, Norway, New Zealand and Sweden), weighted by PPP-adjusted GDP, is almost negative Y/Y and is falling at a 3-month annualised rate of 14.9% (**Chart 3**).

Chart 2: US Case-Shiller (+ NAR) House Price Index

Chart 3: ASR CANNs House Price Index



Source: ASR Ltd. / Refinitiv Datastream/ Case-Shiller/ NAR

Source: ASR Ltd. / Refinitiv Datastream

Summary Table: Y/Y %, 3m annualised & Drawdown from Peak

The CANNs have seen house prices fall fastest

Over the last 3 months prices have come down at an annualised rate of almost -15%

And over the last 3 months, we think the US may be close behind, however it still has a long way to come down from its 20.9% Y/Y peak back in March!

Region/Country	Y/Y % Change	3m Annualised Change	Drawdown from 2-year peak
Global	5.9	-7.1	-2.6
Global ex-US	3.8	-6.1	-2.2
Europe	5.8	-3.4	-1.5
Eurozone	5.6	-3.8	-1.6
CANNs	2.1	-14.9	-4.7
US (e)	9.3	-8.5	-3.2
Canada (a)	6.8	-17.6	-5.9
Australia (a)	-3.1	-15.7	-6.6
New Zealand (a)	-7.6	-7.3	-10.8
Norway (a)	2.8	-6.0	-4.1
Sweden (a)	0.3	-9.9	-3.1
UK (a)	8.4	-0.3	-1.1
Netherlands (e)	7.7	-5.9	-1.5
Germany (a)	4.6	-6.0	-2.6
Spain (a)	9.2	9.3	0.0
Ireland (e)	9.2	2.4	-0.6
Finland (e)	1.2	-3.1	-2.6
S. Korea (a)	2.0	-4.5	-0.9
S. Africa (e)	2.1	-1.5	-0.7
Israel (e)	18.4	12.3	-0.7

* a = actual, e = last month estimated

Source: ASR Ltd. / Refinitiv Datastream

The bottom line: Our October update of the ASR Global House Price Index saw continued falls in house prices *almost* universally across the globe, but we think that the CANNs (and potentially the US too) could be faring comparatively worse

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