

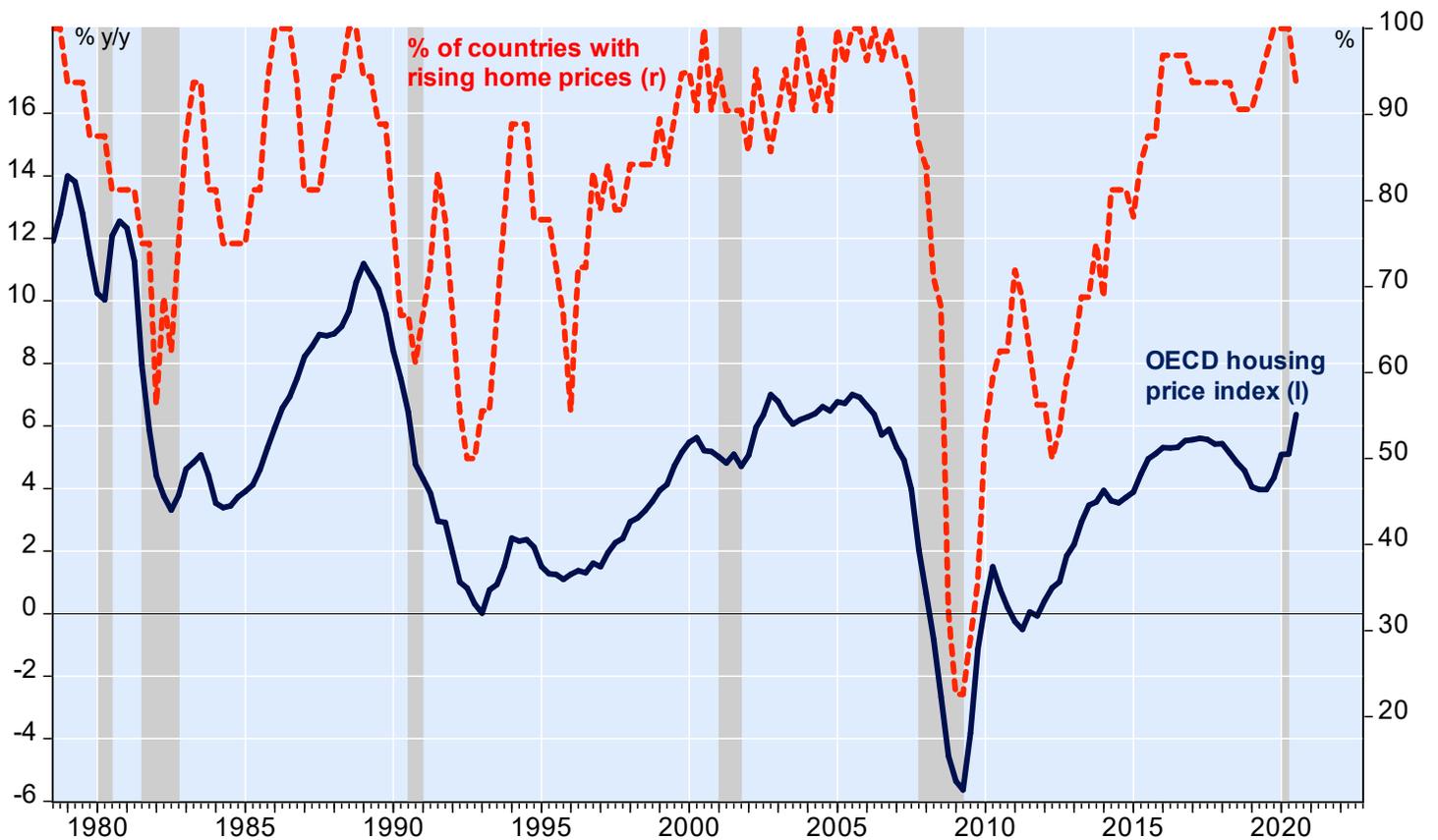
## World Watch

By Matthieu Arseneau

While the pandemic continues to be a headwind for the economic recovery in many parts of the world, several positive developments suggest that the global economy remains on strong footing. One of them being the amazing resilience of home prices in OECD countries. As today's Hot chart shows, over the four quarters leading to Q3, housing prices in OECD countries have risen at a rate of 6.4%. That's the biggest increase in 15 years despite a very challenging economic context. Among the 32 countries for which data is available, only two experienced price declines (Colombia and Ireland) and those pullbacks were less than 1%. Income support programs put in place by governments combined with interest rate cuts have allowed real estate prices to swell during this recession. This development signals a positive wealth effect for homeowners that has spared the banking system from losses. These unique conditions bode well for the economic recovery if the pandemic can indeed be brought under control this year.

### World: Strongest home price increase in 15 years for OECD countries

Home price for OECD countries and percentage of countries experiencing home price increases



NBF Economics and Strategy (data via OECD)

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