

ASSET PRICES

The boom and bust in asset prices triggered the crisis, leading to lower net wealth of households and financial institutions. Among the types of assets most affected by these swings were residential housing and shares of quoted enterprises.

Definition

Share price indices refer to quoted prices and exclude dividend payments. Data refer to the Dow Jones EURO STOXX Index for the Euro area; to the Euronext Paris SBF 250 index for France; to the DB CDAX index for Germany; to the NYSE Composite index for the United States; to the BOVESPA index for Brazil; to the SSE composite index for China; to the TSE TOPIX index for Japan; and to the MICEX index for Russia. Monthly indices are generally computed as averages of daily closing quotes.

House prices indices shown here are representative of the prices of residential housing sales in various countries. Data refer to the S&P/Case-Shiller Home Price Indices (referring to the residential real estate market in 20 metropolitan regions) for the United States; to the quarterly Destatis House price index for new buildings for Germany; to the Nationwide House price benchmarks for the United Kingdom; to the price index of established houses (weighted average of 8 Capital cities) for Australia; to the INSEE real estate price index for single houses and apartments for France; to the index for selling prices of new houses constructed by residential general contractors for Canada; and to the general index of housing prices for Spain.

Overview

Share price indices started to decline in the fall of 2007, i.e. one year before the apex of the financial crisis (fourth quarter of 2008). For the United States, Germany, France and the Euro area, the fall of share prices started in the second half of 2007 and continued until March 2009 (totalling around 50%) before starting to recover. While changes in share prices across European countries and the United States exhibited a significant synchronisation, this is less the case for share prices in Brazil, China, Russian Federation and Japan. Whereas share prices have been declining in Japan since 2007, they increased five-fold in the two years to October 2007 in China, before falling by 70%. The rebound in share prices since the end of 2008 was especially sharp for Brazil, Russian Federation and China.

Prices of residential housing in the United States started falling in the first quarter of 2006, well ahead of other OECD countries, reaching a low point by the first quarter of 2009, with a cumulative decline of around 30%. In the United Kingdom, house prices peaked in the first quarter of 2007 before falling by 18% until the first quarter of 2009, with a rebound since then. House prices peaked later in 2008 for France and Spain, which experienced falls of lower intensity (compared with other countries) until the second quarter of 2009. Conversely, in Germany, house prices steadily increased until the fourth quarter of 2007 (the latest available data). In Australia, house prices in the third quarter of 2009 were still above their pre-crisis level, while for Canada, the decline was limited to 4%.

Prices are in nominal terms (i.e. they are not adjusted for overall inflation) and expressed as indices with the year 2005 equal to 100.

Comparability

For share prices, comparability is good, as national indexes generally refer to all shares (or to broad groups of shares) traded on the stock exchange market.

For house prices, comparability is much more limited due to differences in coverage, timeliness and methodology. The house price indices shown here are national averages for most countries, but they are limited to metropolitan areas or capital cities in other countries. These indexes may also refer to special types of dwellings, or be limited to some types of contractors. While the indexes shown are taken as representative of the conditions prevailing in the housing markets of individual countries, the extent to which they are fully representatives is an open question.

Sources

- For House price indices: National sources.

Further information

Analytical publications

- OECD (2009), *OECD Economic Outlook: Nov. No. 86 – Vol. 2009/2*, OECD, Paris.

Online databases

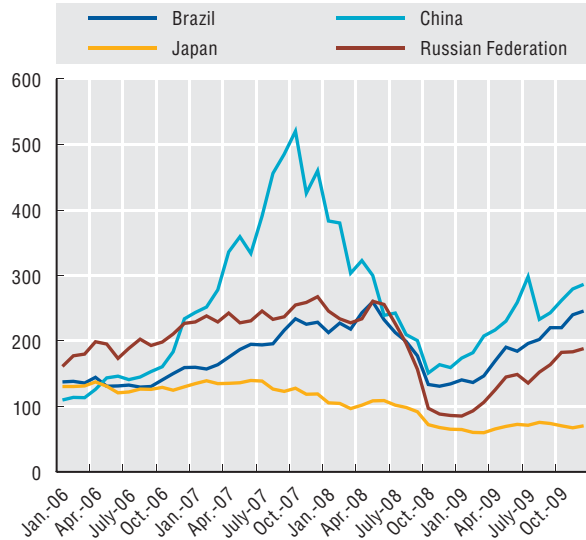
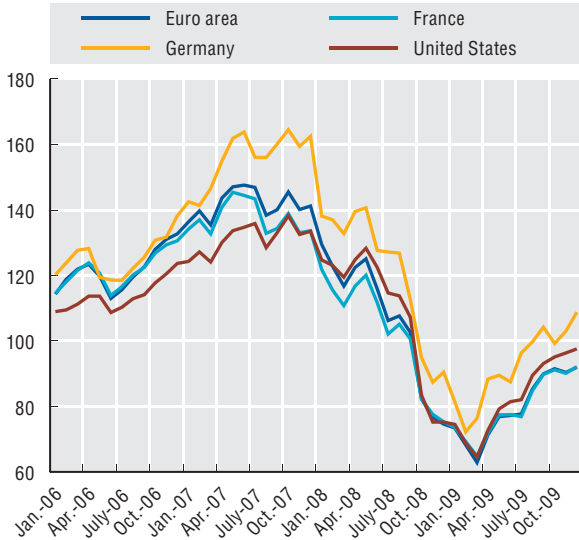
- *Main Economic Indicators*.
- *Genesis*, Destatis.
- CANSIM, Statistics Canada.

Web sites

- OECD Main Economic Indicators, www.oecd.org/std/mei.

Share price indices

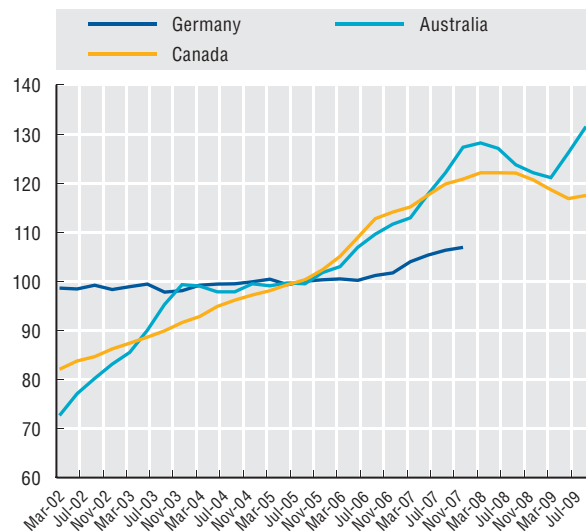
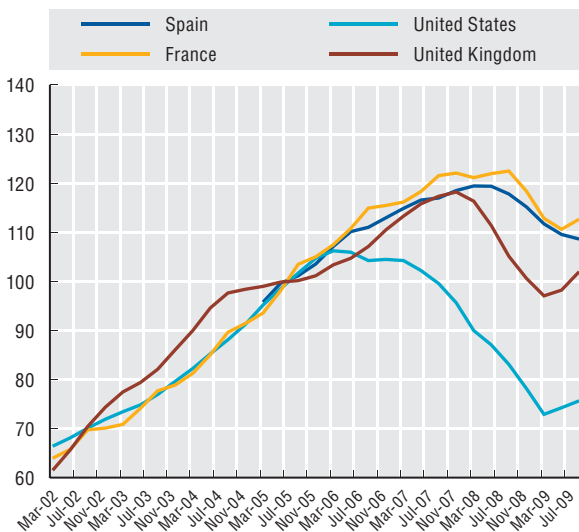
Year 2005=100



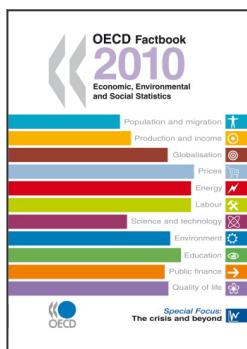
StatLink <http://dx.doi.org/10.1787/823111150813>

Housing price indices

Year 2005=100



StatLink <http://dx.doi.org/10.1787/823148755274>



From:
OECD Factbook 2010
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2010-en>

Please cite this chapter as:

OECD (2010), "Asset prices", in *OECD Factbook 2010: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2010-100-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.