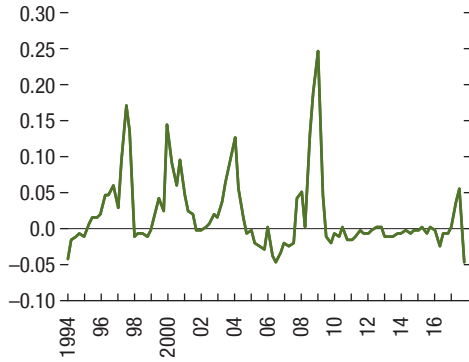


**Figure 2.1.1. Instantaneous Quasi-Correlation of Downside Risks in House Prices**  
(Global median)

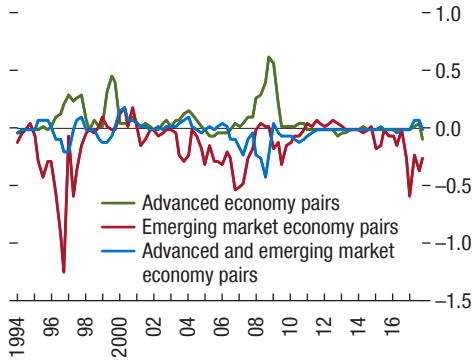
Short-term comovement of downside risks increases sharply around global recessions ...

... and mostly among advanced economies.

**1. Synchronization of HaR at Global Level**



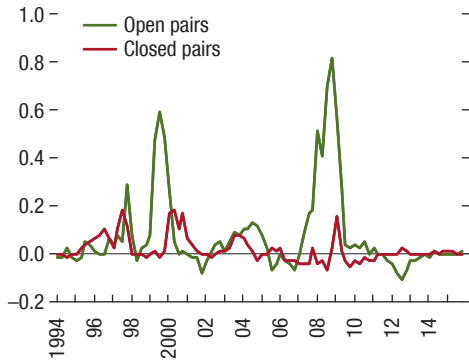
**2. Synchronization of HaR within Different Country Groups**



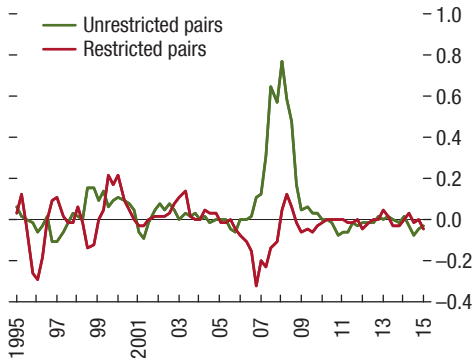
The degree of financial openness may partly contribute to this synchronization.

Capital flow management measures can help mitigate the synchronization of downside risks around recessions.

**3. Synchronization of HaR by Level of Financial Openness**



**4. Synchronization of HaR by Level of Capital Flow Controls to Real Estate Sector**



Source: IMF staff calculations.

Note: Panels 1 and 2 show the global median of the instantaneous quasi-correlation of downside risk of housing prices (HaR) within all countries and among different country groups. Panel 3 shows the global median of the instantaneous quasi-correlation of HaR within pairs with different levels of financial openness. Panel 4 shows the global median of the instantaneous quasi-correlation of HaR within pairs with different levels of strictness in capital controls over the real estate sector. In panel 3, open pairs are those in which foreign assets plus foreign liabilities/GDP for both countries in the pair are higher than the median in a given quarter; otherwise, they are grouped as closed pairs. In panel 4, restricted pairs are those in which both countries in the pair have stricter restrictions in capital flows related to the real estate sector than the average; otherwise, they are grouped as unrestricted pairs. The HaR measure and countries comprise 22 advanced economies and 10 emerging market economies (see Online Annex 2.2). HaR = house prices at risk.