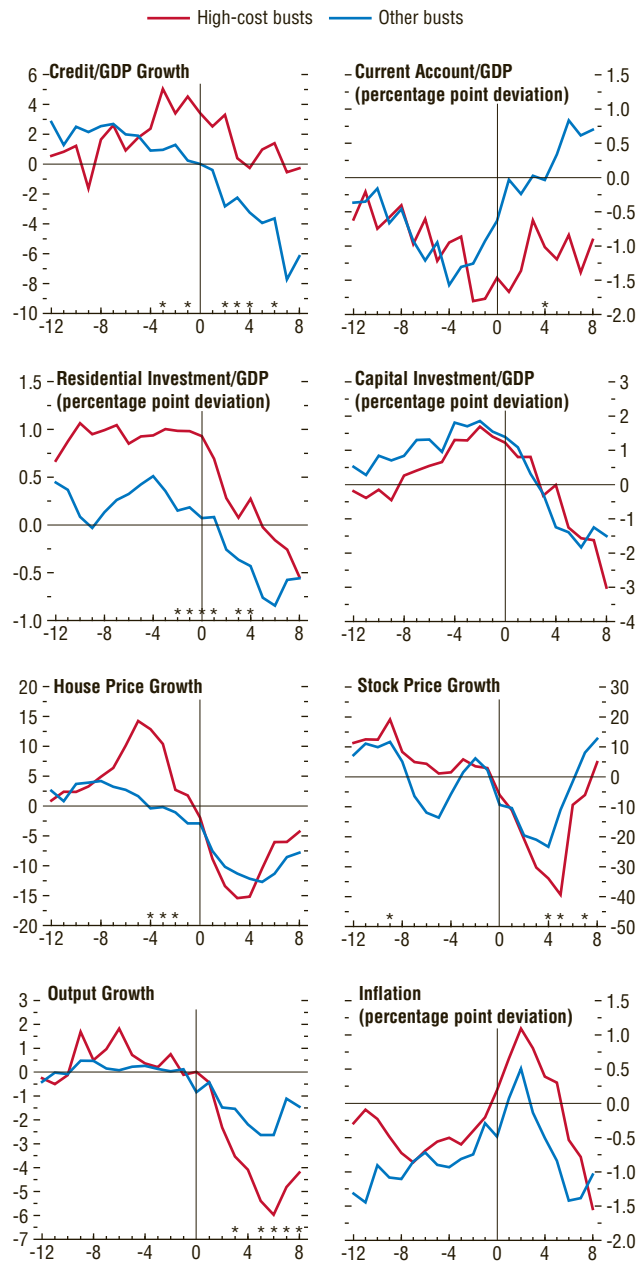


Figure 3.4. Selected Macroeconomic Variables before and during High-Cost and Other House Price Busts, 1985–2008

(Median percent deviation from trailing eight-year moving average, unless otherwise noted; asterisk indicates statistically significant difference between medians; t = 1 denotes first quarter of bust)

House price busts that are associated with larger output losses typically feature larger deviations in credit growth, residential investment, and house price growth. No significant differences are found for output growth and inflation.



Source: IMF staff calculations.