

Titre : **How long can the global housing boom last?**

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How long can the global housing boom last?

NOVA SCOTIA'S largest city is known for a few things: a big national-security conference that takes place every autumn; a huge explosion that took place in 1917, causing immense devastation; and a small but impressive wine industry. It may soon be known for something else. Since December 2019 house prices in Halifax have risen by nearly 50%, [...] a boom that only a tiny number of cities have bettered. [...]

Local factors play a role. Some people who had moved to distant Alberta to work in the oil industry lost their jobs in 2020 and moved back home. Out-of-towners are investing in local property in the expectation that eastern Canada will become a more desirable place to live as the climate changes. Nevertheless, the broader trend is mirrored across much of the world. [...]

Now people are wondering whether the party is about to end. Governments are winding down stimulus. People no longer have so much spare cash to splurge on property, now that foreign holidays are back and restaurants are open. Central banks, worried about surging inflation, are tightening monetary policy, including by raising interest rates. In its latest financial-stability report the IMF warned that "downside risks to house prices appear to be significant", and that, if these were to materialise, prices in rich countries could fall by up to 14%. In New Zealand, where prices have risen by 24% in the past year, the central bank is blunter. The "level of house prices", it says, is "unsustainable". [...]