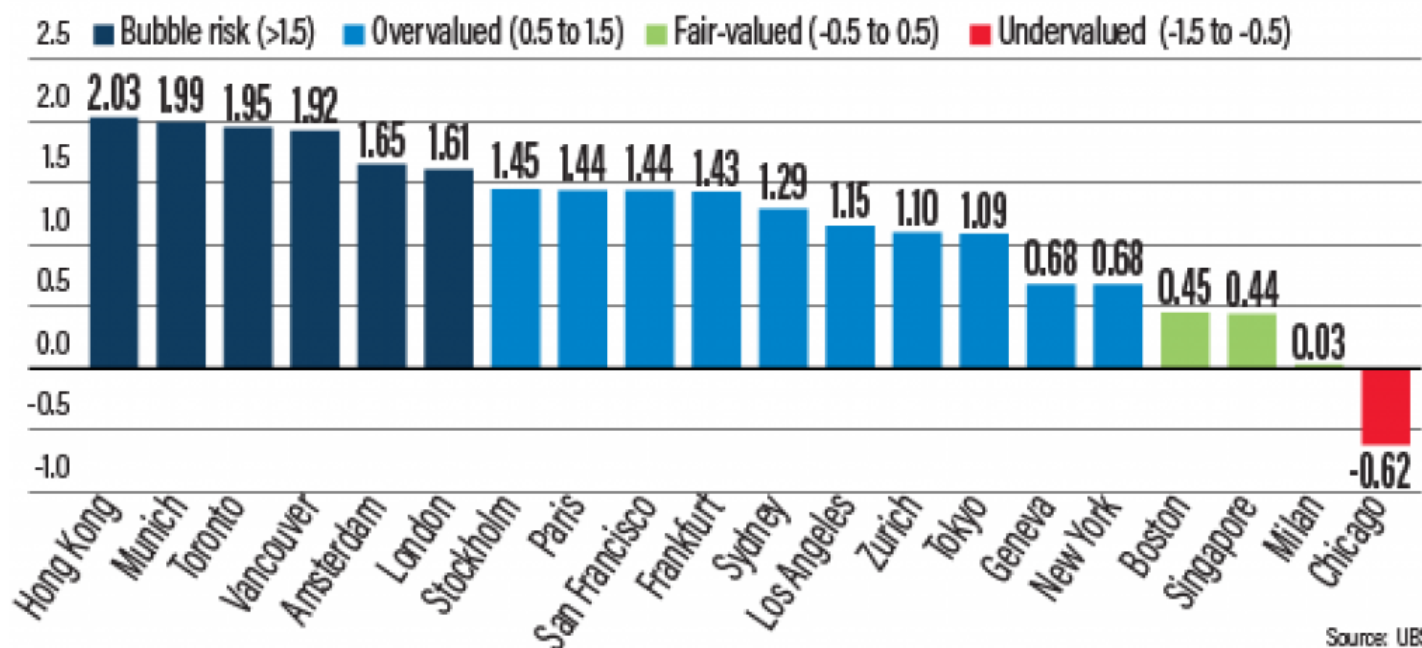


Six global cities are considered bubble risk while a further 10 are currently overvalued says UBS

UBS GLOBAL REAL ESTATE BUBBLE INDEX (US\$/OUNCE)



Dubai, Mar 3, 2019 (Issuewire.com) - Hong Kong is the most overvalued housing market this year with significant price bubbles also found in the majority of the world's developed financial centers, a new study from the Swiss Bank UBS found.

The bubble risk appears greatest in six global cities with Hong Kong the most vulnerable, followed by Munich, Toronto, Vancouver, Amsterdam, and London according to the UBS Global Real Estate Bubble Index 2018. Major imbalances are also found in 10 other locations including Stockholm, Paris, San Francisco, Frankfurt, and Sydney.

"Although many financial centers remain at risk of a housing bubble, we should not compare today's situation with pre-crisis conditions," said Mark Haefele, chief investment officer at UBS Global Wealth Management in a statement on Thursday. "Nevertheless, investors should remain selective within housing markets in bubble risk territories such as Hong Kong, Toronto, and London."

Valuations are also stretched in Los Angeles, Zurich, Tokyo, Geneva, and New York, however, property markets in Boston, Singapore and Milan appear fairly valued while Chicago is undervalued.

While prices are not rising as fast as in prior years, affordability remains a key concern. Housing prices

in major cities have increased by 35 percent on average over the past five years, according to the report.

Despite the explosive upwards swing seen in the largest Eurozone economic centers, as well as in Hong Kong and Vancouver in recent years, cracks have begun appearing.

In the past year, the house price boom seen in key cities has lost its intensity and scope, UBS found. Inflation-adjusted city prices increased by 3.5 percent on average over the last four quarters, considerably less than in previous years but still above the 10-year average.

Source: Admin

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Source : Morgan's International Realty

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