



# Harry's Take

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## When It Comes to Home Prices and Living Costs, North America Looks Good Globally

Two things are clear: First, we have now been through a second housing bubble that was almost identical to the first one, which peaked in 2006 (look for more on this in the July *HS Dent Forecast* ahead), and second, we in the U.S. are not likely to be the ones in the biggest bubble crash this time, after getting hit so hard from 2006 into 2012... Canadians should be especially concerned, along with our U.K., Australian, and New Zealander cousins.

### Highest Home Prices Spread Between North Europe and East Asia

1	Monaco
2	Hong Kong
3	London
4	Tokyo
5	New York
6	Shanghai
7	Taipei
8	Sydney
9	Singapore
10	Paris
11	Zurich
12	Vancouver

13	Miami
14	Frankfurt
15	Milan
16	Dubai
17	Bangkok
18	Mumbai
19	Barcelona
20	Jakarta
21	Manila
22	Sao Paulo
23	Mexico City
24	Johannesburg

This chart simply looks at home costs in major cities around the world. Americans are not at the top of the bubble this time. Not surprisingly, No. 1 is the small, highly affluent country of Monaco. East Asia dominates the top five: Hong Kong is No. 2 and Tokyo is No. 4. London is No. 3 and New York is No. 5. I am curious as to why L.A. was not included in this analysis.

Even though China, as a large country, has the highest ratio of real estate prices to income, Shanghai only comes in sixth here, followed by Taipei at No. 7. Sydney, Australia, comes in at No. 9, because of higher income overall than other countries in East Asia. Vancouver, Canada (my favorite city in North America), is No. 12, and my former home, Miami, is No. 13.

### Total Cost of Living Tends To Be Highest in East Asia, Then Europe

1	Shanghai
2	London
3	Taipei
4	Hong Kong
5	Singapore
6	Monaco
7	Zurich
8	Tokyo
9	Sydney
10	Paris
11	New York
12	Sao Paulo

13	Milan
14	Dubai
15	Bangkok
16	Barcelona
17	Frankfurt
18	Miami
19	Jakarta
20	Vancouver
21	Manila
22	Mexico City
23	Johannesburg
24	Mumbai

Source: Global Wealth and Lifestyle Report, Julius Baer.

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When we look at the overall ratio of living costs to income, North America comes out even better. Not surprisingly, Shanghai is at the top here, with high costs combined with lower incomes. Second is London, with the highest ratio in the Western world, followed by Taipei in Taiwan, Hong Kong, and Singapore. So, among the top five, four are in East Asia. Sydney comes in at No. 9 again, same as for home prices, and New York is only No. 11. Miami is No. 18 and, surprisingly, Vancouver is No. 20.

**My point here is that in the greatest and most global bubble in real estate in history, North American real estate is not the worst or most overvalued. That dubious honor goes to East Asia and Northern Europe.**

During my 22 years in California, my dream was to move my primary residence to Carefree, AZ, just north of Phoenix, and to buy a second home in Vancouver. But, as the old saying goes, "Man plans, God laughs." I ended up in Tampa, Florida... and I am now in Puerto Rico, where I got the greatest real estate bargain of my life.

As Puerto Rico is now my main residence, New York is clearly the most attractive place for a second home... That's where I will be looking for a bargain in the Great Reset ahead!

This continues to be a time to sell real estate that is not strategic and to look into where to buy in the "sale of a lifetime" from 2023 into 2024+... Don't dally on selling here!

Harry

*Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com).*