

Macro Roundup Article

Headline: [Inflation Adjusted House Prices 2.4% Below Peak](#)

Article Link: <https://calculatedrisk.substack.com/p/inflation-adjusted-house-prices-24-c54>

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Tweet: According to @calculatedrisk inflation-adjusted housing prices are 2.4% below their 2023 peak and 10.2% above the bubble era peak. Based on housing prices, mortgage rates, and median incomes, housing is now less affordable than during the bubble era.

Summary: For February: a year ago, the payment on a \$500,000 house, with a 20% down payment and 6.26% 30-year mortgage rates, would be around \$2,465 for principal and interest. The monthly payment for the same house, with house prices up 6.4% YoY and mortgage rates at 6.78% in February 2024, would be \$2,769 - an increase of 12%. However, if we compare to three years ago, there is a huge difference in monthly payments. In February 2021, the payment on a \$500,000 house, with a 20% down payment and 2.81% 30-year mortgage rates, would be around \$1,646 for principal and interest. The monthly payment for the same house, with house prices up 31% over three years and mortgage rates at 6.78% in February 2024, would be \$3,399 - an increase of 107%! More than double.

Related Articles: It's All About Shelter and The Boomer-Millennial Housing Battle Cools and A Huge Number of Homeowners Have Mortgage Rates Too Good to Give Up

Primary Topic: Housing

Topics: Business Cycle, Financial Markets, GDP, Housing, Op-Ed/Blog Post

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