

## Macro Roundup Article

**Headline:** [Inflation Adjusted House Prices 3.1% Below Peak](#)

**Article Link:** <https://calculatedrisk.substack.com/p/inflation-adjusted-house-prices-31>

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**Tweet:** According to @calculatedrisk, houses in October were the least "affordable" since 1982 when the 30-year mortgage rate was >14%.

**Summary:** I've put together my own affordability index. I used median income from the Census Bureau (estimated 2023), assumed a 15% down payment, and used a 2% estimate for property taxes, insurance, and maintenance. For house prices, I used the Case-Shiller National Index, Seasonally Adjusted (SA). For mortgage rates, I used the Freddie Mac PMMS (30-year fixed rates). For August: a year ago, the payment on a \$500,000 house, with a 20% down payment and 5.22% 30-year mortgage rates, would be around \$2,201 for principal and interest. The monthly payment for the same house, with house prices up 2.6% YoY and mortgage rates at 7.07% in August 2023, would be \$2,749 - an increase of 25%. However, if we compare to two years ago, there is huge difference in monthly payments. In August 2021, the payment on a \$500,000 house, with a 20% down payment and 2.84% 30-year mortgage rates, would be around \$1,652 for principal and interest. The monthly payment for the same house, with house prices up 15.9% over two years and mortgage rates at 7.07% in August 2023, would be \$3,107 - an increase of 88%!

**Related Articles:** US Housing Market Crash Turns Not-So-Sweet 16 and The "New Normal" Mortgage Rate Range and Could 6% to 7% 30-Year Mortgage Rates be the "New Normal"?

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Op-Ed/Blog Post

**Permalink:** <https://www.edwardconard.com/macro-roundup/according-to-calculatedrisk-houses-in-october-were-the-least-affordable-since-1982-when-the-30-year-mortgage-rate-was-14?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2023/11/Housing-Affordability-Price-Index.png>