## **EDWARD CONARD**



## **Macro Roundup Article**

**Headline: Inflation Adjusted House Prices 1.9% Below 2022 Peak** 

Article Link: <a href="https://calculatedrisk.substack.com/p/inflation-adjusted-house-prices-19">https://calculatedrisk.substack.com/p/inflation-adjusted-house-prices-19</a>

Author(s)	Bill McBride
Publication	Calculated Risk
Publication Date	August 01, 2024

**Tweet:** Real house prices are 1.9% under the 2022 peak and 11% above the bubble peak. Affordability remains at levels last seen in the early 1980s when 30-year mortgage rates were over 14%. @calculatedrisk

**Summary:** For May: a year ago, the payment on a \$500,000 house, with a 20% down payment and 6.43% 30-year mortgage rates, would be around \$2,510 for principal and interest. The monthly payment for the same house, with house prices up 5.9% y/y and mortgage rates at 7.06% in May 2024, would be \$2,835 - an increase of 13%. However, if we compare to three years ago, there is a huge difference in monthly payments. In May 2021, the payment on a \$500,000 house, with a 20% down payment and 2.96% 30-year mortgage rates, would be around \$1,678 for principal and interest. The monthly payment for the same house, with house prices up 26% over three years and mortgage rates at 7.06% in May 2024, would be \$3,383 - an increase of 102%! Double!!!

**Related Articles:** The Cost of Money is Part of the Cost of Living: New Evidence on the Consumer Sentiment Anomaly and The Price of Housing in the United States and The Determinants Of Declining Internal Migration

**Primary Topic:** Housing

Topics: GDP, Housing, Op-Ed/Blog Post

**Permalink:** <a href="https://www.edwardconard.com/macro-roundup/real-house-prices-are-1-9-under-the-2022-peak-and-11-above-the-bubble-peak-affordability-remains-at-levels-last-seen-in-the-early-1980s-when-30-year-mortgage-rates-were-over-14-calculatedrisk?view=detail</a>

**Featured Image Link:** https://www.edwardconard.com/wp-content/uploads/2024/08/22622-infl ation-adjusted-house-prices-1-9-below-2022-peak-featured-thumbnail-image.png