

Macro Roundup Article

Headline: [There's Never Been a Worse Time to Buy Instead of Rent](#)

Article Link: https://www.wsj.com/economy/housing/theres-never-been-a-worse-time-to-buy-instead-of-rent-bd3e80d9?mod=housing_news_article_pos1

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Publication	Wall Street Journal
Publication Date	October 25, 2023

Tweet: Carol Ryan @wsj reports that the cost of homeownership exceeds the cost of renting by 52%, as compared to 33% in the second quarter of 2006.

Summary: The cost of buying a home versus renting one is at its most extreme since at least 1996. The average monthly new mortgage payment is 52% higher than the average apartment rent, according to CBRE analysis. In theory, buying and renting costs should be roughly matched, according to Matt Vance, head of multifamily research at CBRE. Although owners benefit when house prices go up, they also put more cash into their homes than tenants for things such as repairs and refurbishments. From 1996 to mid-2003, the average cost to buy or rent did indeed work out more or less equal. The current hefty ownership premium reflects the surging cost of debt, as rates on a 30-year mortgage reach 8%, as well as high house prices since pandemic lockdowns raised the value of domestic space.

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Primary Topic: Housing

Topics: Business Cycle, Database, GDP, Housing, News article

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