

## Macro Roundup Article

**Headline:** [Housing Is the Sleeper Issue of the 2024 Campaign](#)

**Article Link:** <https://www.wsj.com/opinion/housing-is-the-sleeper-issue-of-the-2024-campaign-harris-doubles-down-inflationary-4d130361>

Author(s)	Michael Solon
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**Tweet:** Noting that government deficits have exceeded total home sales by 16% for the 4th time in 5 years, Michael Solon argues chronic deficits, not constraints on building or the Fed, are ultimately responsible for the decline in housing affordability.

**Summary:** A house that cost \$303,600 in January 2021 now costs \$422,600. Mortgage rates that were 2.8% are now 6.5%. Home prices 40% higher have combined with mortgage financing costs up 125% to double new home buyers' average monthly mortgage payment, to \$2,671 from \$1,247. This has pushed the housing and rental affordability indexes to 30-year lows. In 2023, the federal deficit was \$1.67 trillion, more than the \$1.592 trillion value of all 4.09 million homes purchased at an average price of \$389,300. Since 1989, the federal government has never borrowed annually more than the dollar total of sold homes except when housing sales and the economy both plunged in the subprime crisis and in three of the last four years. What does that mean to home buyers? The combined growth in average home prices and 30-year mortgage rates equals lifetime payments of \$961,560 versus \$448,920. That's \$512,640 more on the average home since the start of the Biden-Harris administration.

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**Primary Topic:** Inflation

**Topics:** Database, GDP, Housing, Inflation, Op-Ed/Blog Post, Politics, Very Important, Weekly

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