

Macro Roundup Article

Headline: [America's Housing Rebound](#)

Article Link: <https://theovershoot.co/p/americas-housing-rebound>

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Tweet: US residential construction and renovation spending has been resilient in the face of higher rates; housing starts are 14% above the pre-pandemic run rate.
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Summary: The surge in house prices during the pandemic was entirely consistent with the plunge in mortgage interest rates. The post-pandemic surge in mortgage rates was also consistent with the initial downtick in house prices. The turn in house prices since the beginning of 2023 represents a break in the prior relationship, but it is consistent with the broader re-accleration in U.S. growth and risk asset prices over that period. Most of these data are old enough that they do not even reflect the impact of the recent drop in ~1 percentage point drop mortgage rates since October. Should rates stay at current levels, housing activity should ramp up even more.

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Primary Topic: Housing

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

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