

# Do interest rates impact home values?

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The Fed keeps raising interest rates to combat inflation.



What about home prices?

# Using 22 years of data collected from three reputable sources



daily prime  
interest rate

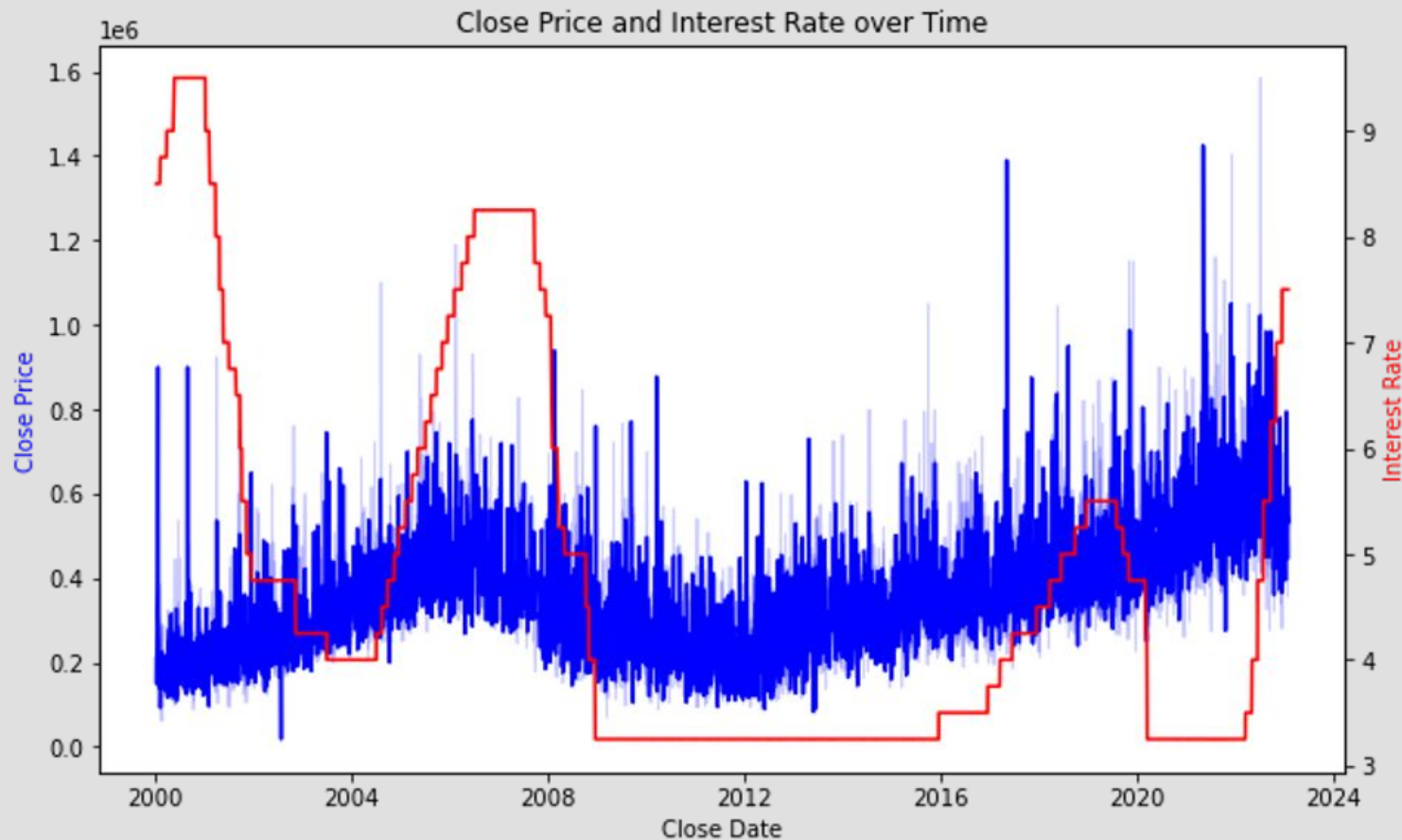


sale price  
square footage  
CDOM  
year built  
lot size  
bathrooms  
bedrooms  
close date

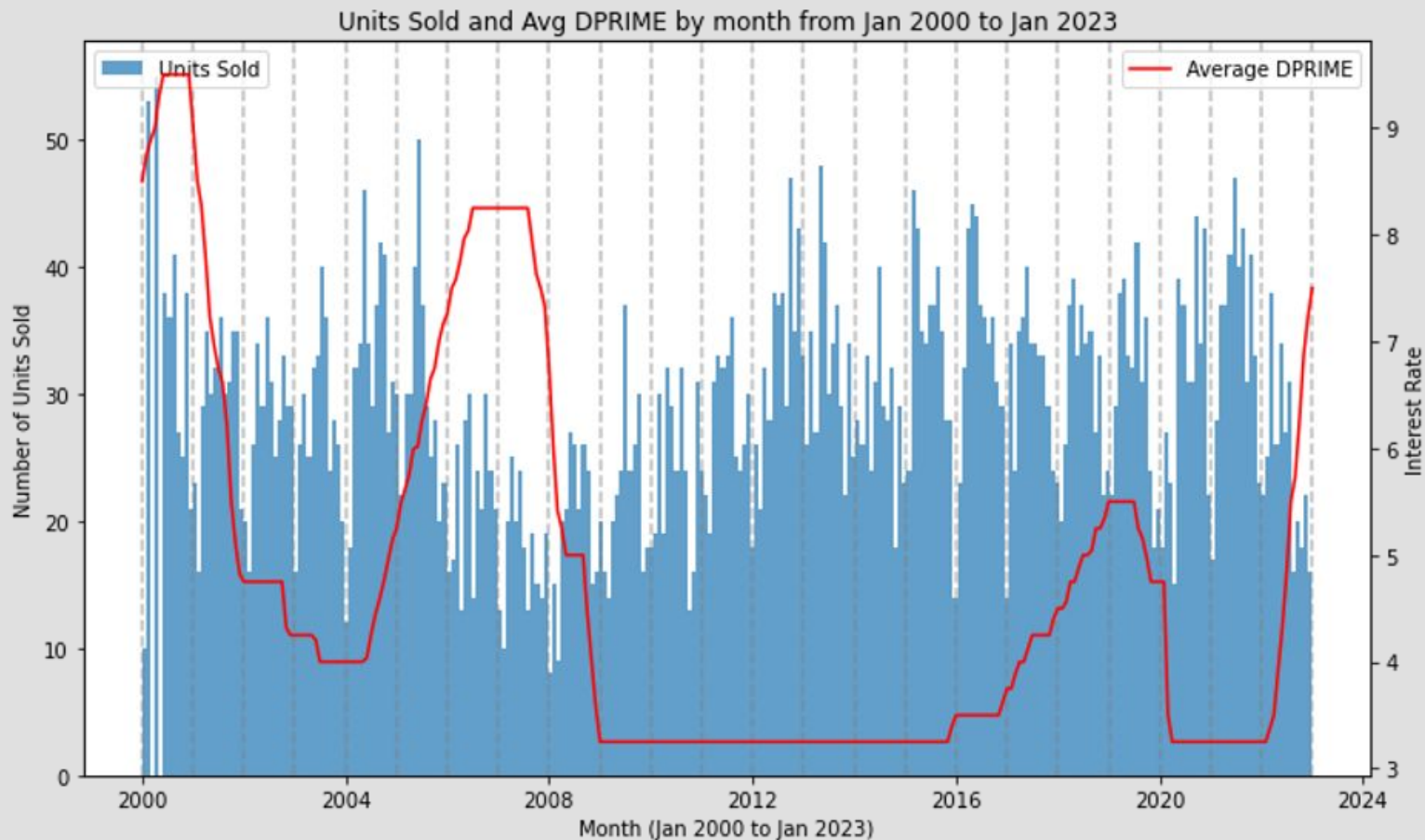


consumer price  
index

At first glance, the relationship isn't completely clear

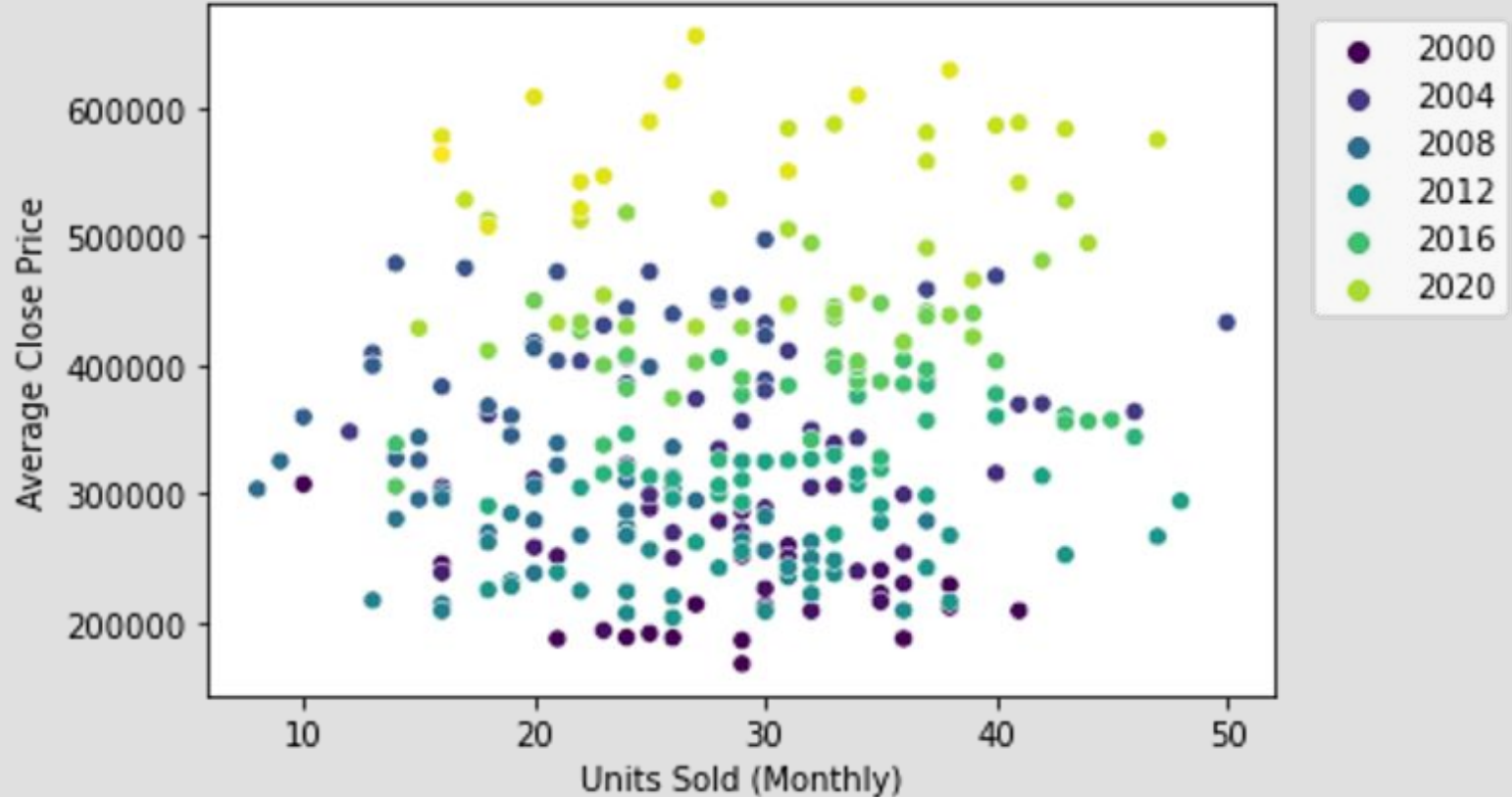


# Rising interest rates decrease volume (buyer demand)

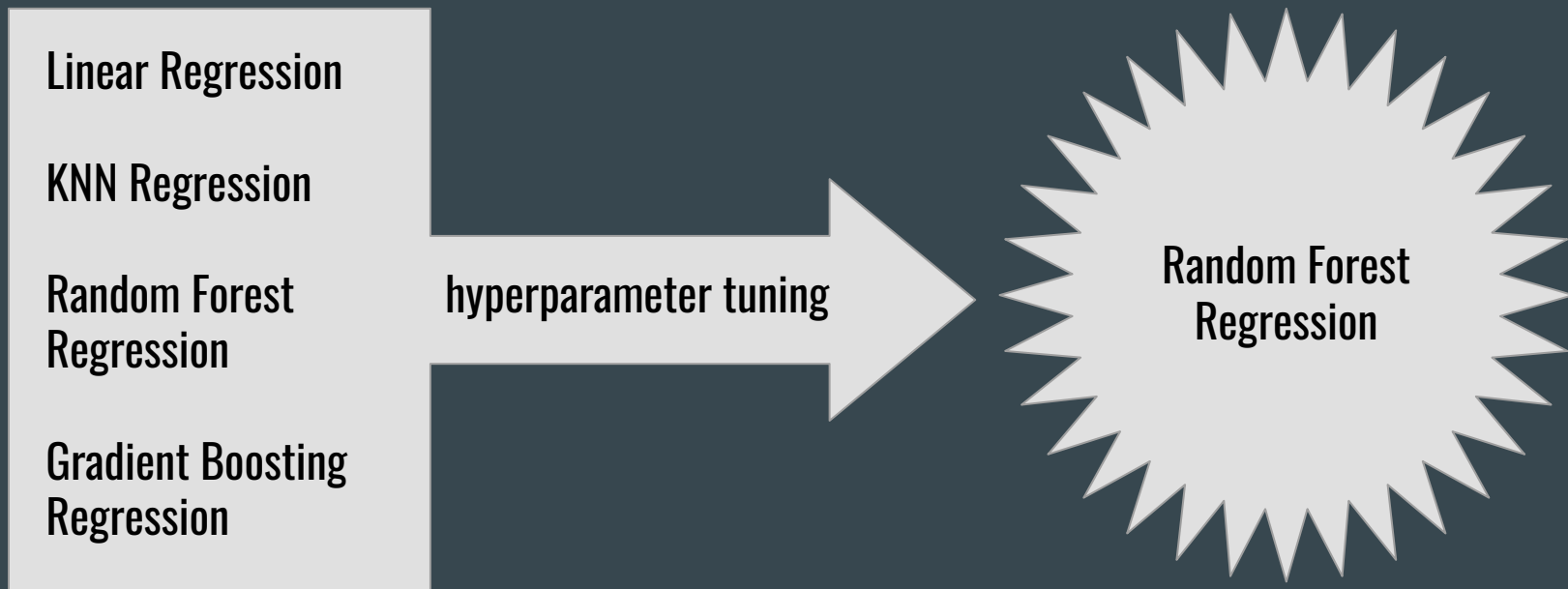


# Prices have risen in the past 20 years

Relationship between Monthly Units Sold and Average Close Price from Jan 2000 to Jan 2023



# Machine Learning: And the winner is...



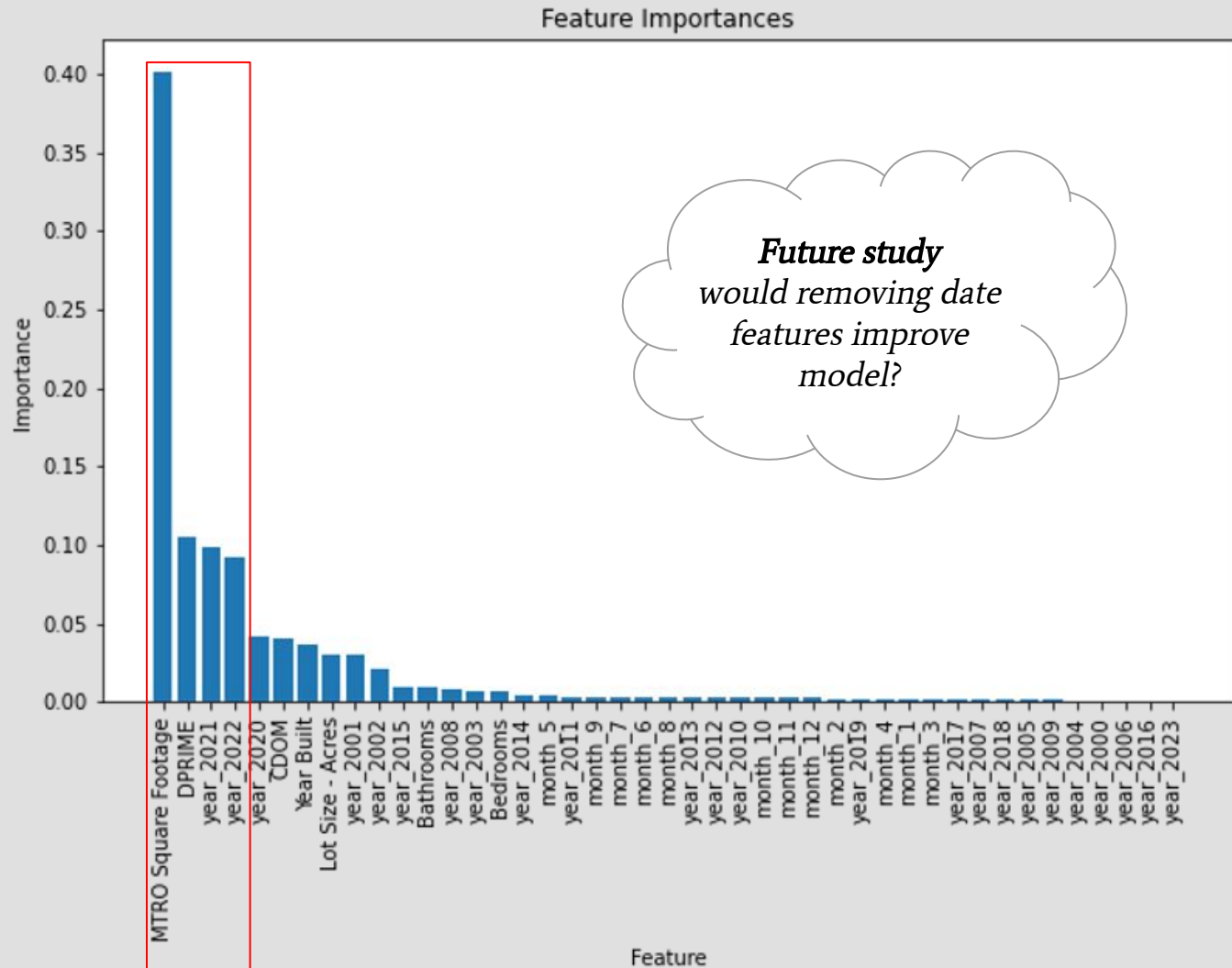
# Most important model features

Square footage

Interest rates

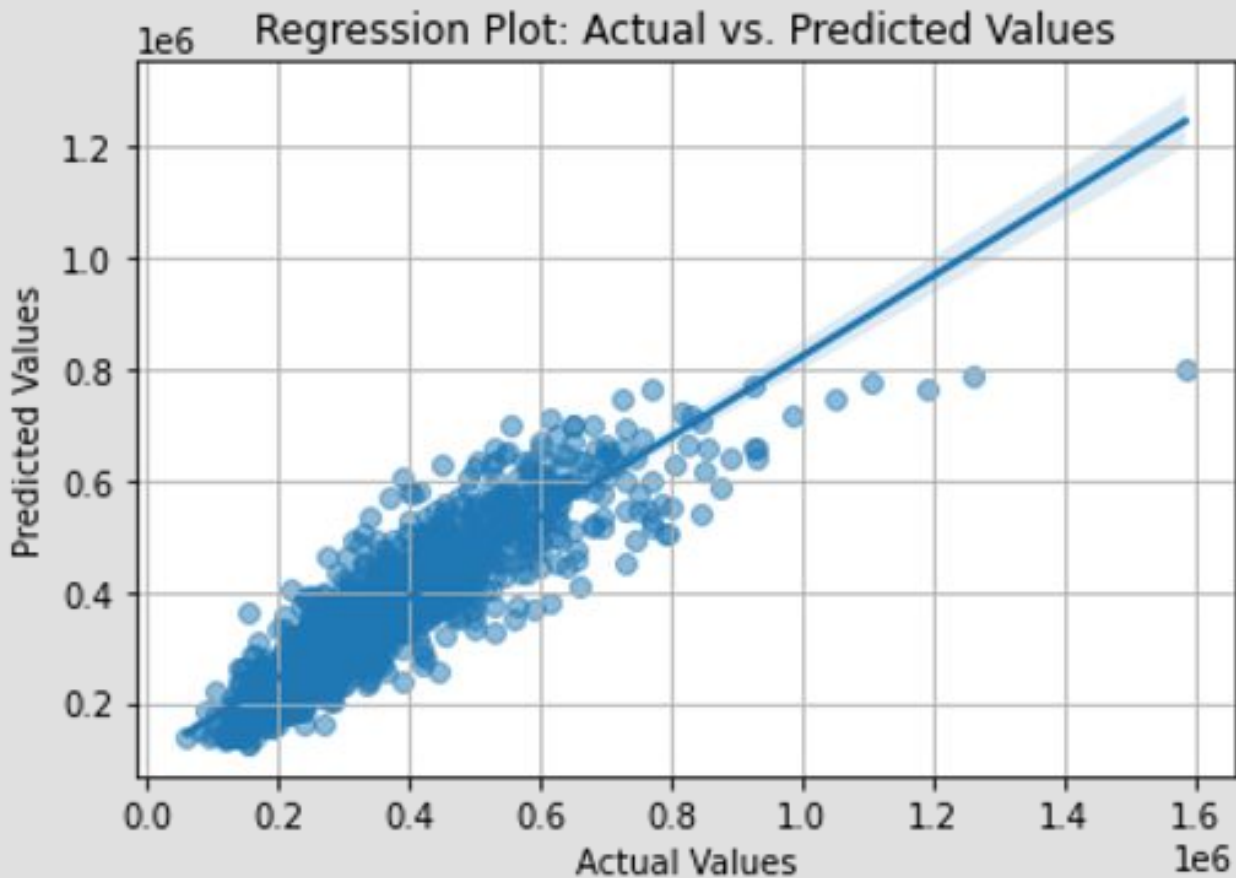
2021

2022





# Model performs well for lower to mid-range home prices



The background of the slide is a dark blue gradient filled with numerous semi-transparent arrows of varying sizes and shades of blue. Some arrows point upwards, while others point downwards, creating a sense of movement and direction. The text is overlaid on this background.

**It's been confirmed...**

**Interest rates impact home values.**