

Iowa House Prices Rising

Why look at house prices?

The FED plans to lower interest rates over the next year, which will lower the mortgage interest amount new homeowners must pay on their mortgages. As shown in my previous analysis, mortgage rates have a massive effect on the cost of buying a home, and lowering the interest rates should help make housing more affordable. The other large part of housing affordability costs is house prices. We saw some alarming data early, showing house prices have risen despite interest rate hikes. This is a bad sign for first-time homebuyers and warrants further analysis, which is what this next section will be dedicated to. In this section, I have identified 4 reasons that I believe increase house prices I want to investigate that help explain why house prices increase:

1. Construction is not keeping up with demand for homes.
2. The housing Dilemma.
3. Investors are speculating on the market.
4. People are taking on greater debt to get homes.