

# DO U.S. MORTGAGE INTEREST RATES AFFECT HOME PRICES?

---

By: Xifan Zheng & Ruixuan Li



# Data & Methodology

- Monthly U.S. 30-year fixed mortgage rates (Freddie Mac)



- U.S. Home Price Index (FRED)



- Merged by date, cleaned missing values
- Model:  $\text{HomePrice}_t = \beta_0 + \beta_1 * \text{MortgageRate}_t + \epsilon_t$

# Key Findings & Visualization



- No strong linear relationship observed
- Regression shows insignificant effect
- Home prices follow long-term trends