Figure 2.1. United States: Housing Cycles in Perspective

The current housing cycle is already the longest since the 1970s. Moreover, various valuation indicators remain elevated, suggesting that the downswing still has a substantial way to go.

Sources: Davis, Lehnert, and Martin (2007); Haver Analytics; and IMF staff calculations.

1National Association of Realtors; three-month moving average of 12-month percent change.
2Office of Federal Housing Enterprise Oversight (OFHEO).
3Ratio of OFHEO house price index to personal disposable income per capita.
4Inverse of the rent-price ratio for the aggregate stock of owner-occupied housing.
5Index equal to 100 median family income qualifies for an 80 percent mortgage on a median-priced existing single-family home, reindexed to 1995 = 100.
7Thousands of new single family homes for sale.
8Months of inventory at current sales pace.