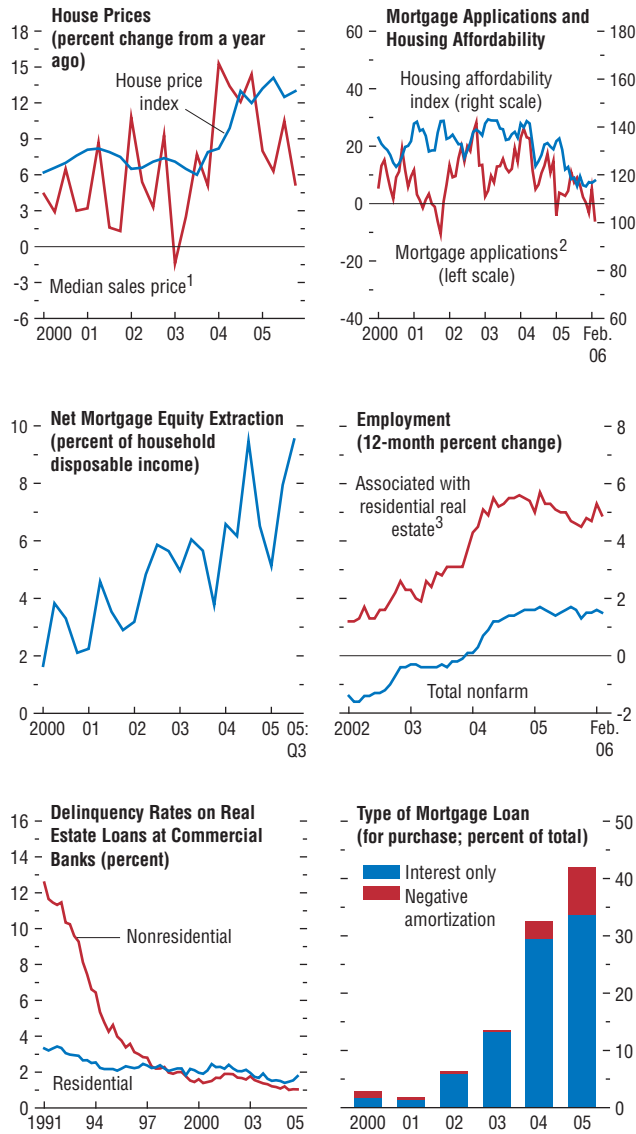


Figure 1.11. United States: The Housing Market and Growth

The strong housing market has supported growth and employment in the United States in recent years. There are increasing signs, however, that housing activity is slowing, and a key question is how the economy would react to a period of slower house price appreciation.



Sources: Haver Analytics; CEIC Non-Asia Database; Greenspan and Kennedy (2005); LoanPerformance MBS/ABS database (Period: 204, December 2005); and IMF staff calculations.

¹Median sales price for new single family homes.

²For the purchase of homes. Index: March 16, 1990 = 100, percent change from a year earlier.

³The sum of employment in the following sectors: residential building construction, residential specialty trade contractor, furniture and home, furnishing stores, building material and garden supply stores, and real estate.