# Article information:

Housing: Don't Compare the Current Housing Boom to the Bubble and Bust
<https://calculatedrisk.substack.com/p/housing-dont-compare-the-current>

# Article summary:

1. The current housing boom should not be compared to the mid-00s housing bubble and bust due to significant differences in lending standards and demographics.

2. A more similar period to today is the late ‘70s and early ‘80s, where house prices were increasing sharply, demographics were favorable for homebuying, and inflation picked up.

3. A decline in real house prices seems likely, along with a potential decline in housing starts and sales, depending on how much inflation is embedded and how much the Fed will have to raise rates to control it. However, there will be few distressed sales, so cascading nominal price declines like during the housing bust are unlikely.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article "Housing: Don't Compare the Current Housing Boom to the Bubble and Bust" by Calculated Risk provides a detailed analysis of the current housing market and compares it to previous periods of housing booms and busts. While the author argues that there are significant differences between the current boom and the mid-00s housing bubble, they suggest that we should look to the late '70s and early '80s for lessons on what may happen in the future.

One potential bias in this article is that it focuses primarily on macroeconomic factors such as inflation, interest rates, and demographics, while neglecting to consider other important factors that could impact the housing market. For example, there is no discussion of how changes in consumer behavior or technology could affect demand for housing. Additionally, while the author acknowledges that lending standards have been more solid during this boom than in previous ones, they do not explore how changes in lending practices or regulations could impact the market going forward.

Another potential issue with this article is that it presents a somewhat one-sided view of what may happen in the future. While the author suggests that a decline in real house prices seems likely, they do not explore alternative scenarios where prices continue to rise or remain stable. Additionally, while they acknowledge that nominal prices should be sticky downwards due to solid lending practices, they do not consider how changes in consumer sentiment or other external factors could impact this.

Overall, while this article provides some valuable insights into the current state of the housing market and its potential future trajectory, it would benefit from a more balanced consideration of all relevant factors. Additionally, readers should be aware of potential biases related to macroeconomic analysis and consider seeking out additional perspectives before making any investment decisions based on this information.

# Topics for further research:

* Changes in consumer behavior and technology affecting housing demand
* Impact of lending practices and regulations on the housing market
* Alternative scenarios where housing prices continue to rise or remain stable
* Factors that could impact nominal prices in the housing market
* External factors that could impact the housing market beyond macroeconomic analysis
* Additional perspectives on the current state and future trajectory of the housing market

# Report location:

<https://www.fullpicture.app/item/9a6a9662f17ebce084fd7f08c300b276>