



Harry's Take

November 8, 2022

There's no Doubt About It, Housing Is Starting To Crash

One statistic after the next keeps telling the same story. Housing is not just slowing, it is starting to crash, and this crash is very likely to be greater than the 2006–2012 decline and home-price crash. This chart shows that home mortgage applications are back to the lows put in between late 2011 and early 2015.

Home Mortgage Applications at 2011–2015 Lows, Down 53% From Early 2021

Home Purchase Mortgage Applications Index for the U.S.

Index (March 16, 1990 = 100, SA)



@lenkiefier Source: Mortgage Bankers Association (MBA) Weekly Mortgage Applications Survey

Source: <https://mobile.twitter.com/lenkiefier/status/1582720333651795968/photo/1>

www.hsdent.com

The real peak was back in mid-2005; it was followed by a fall of 70% in mortgage applications. The secondary peak at the beginning of 2021 was

followed by a 53% fall that has continued until now, and mortgage applications may be heading lower still. More to the point, these lows are far higher than the lows back in late 2001. Hence, this is a major change in trends that not that many experts are talking about.

The Mortgage Market Index also has fallen to its 2000 lows, as has the MBA Mortgage Application Index. Home sales peaked in early 2006 and have declined since. This is the way it tends to happen: home sales start to peak and fall, and then prices follow several months later. Home prices are just starting to fall in some areas. That trend should be more serious in 2023.

So, the obvious message is to sell your home now if you are thinking about it, while home prices are still near their highs and before prices catch up to falling sales.

I've been warning about this for several months. Maybe it's time to act.

Harry

Got a question or comment? You can contact us at info@hsdent.com.