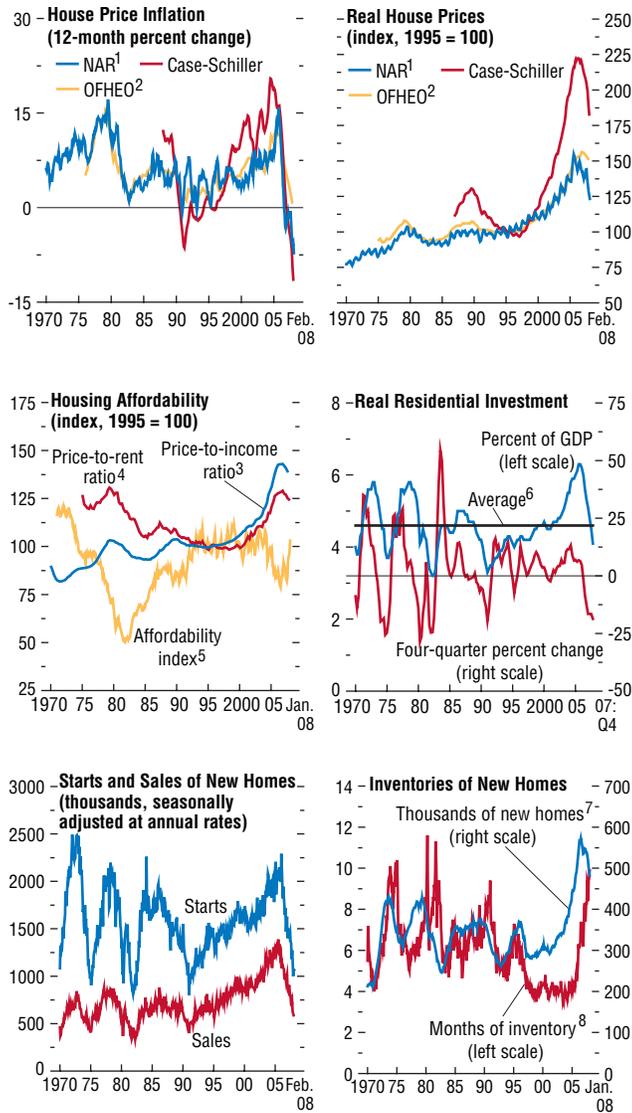


Figure 2.1. United States: Housing Cycles in Perspective

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.

⁶Percent of GDP average during 1970–2007.

⁷Thousands of new single family homes for sale.

⁸Months of inventory at current sales pace.