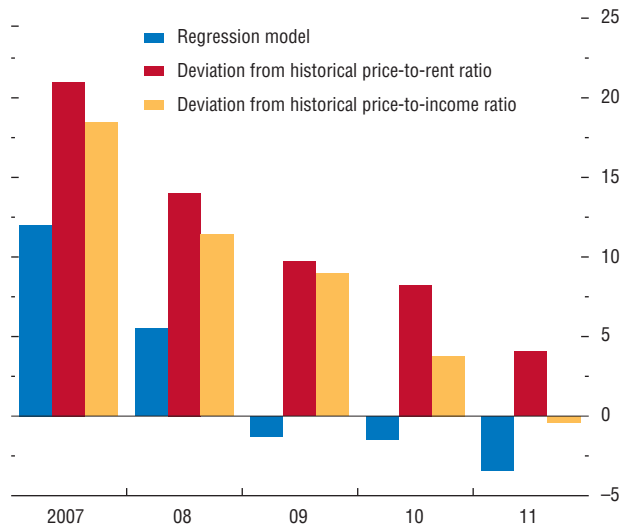


**Figure 3.8. Estimated House Price Misalignment in the United States**  
(Percent)

U.S. house prices are now at or below the levels implied by regression-based estimates and some historical valuation ratios.



Sources: Federal Housing Administration; Organization for Economic Cooperation and Development; IMF, *International Financial Statistics*; and IMF staff calculations.

Note: The regression model measure indicates the implied house price misalignment when house price changes are modeled as a function of changes in personal disposable income, working-age population, credit and equity prices, interest rate levels, and construction costs. See Chapter 1 of the October 2009 *World Economic Outlook*, Box 1.4, and Igan and Loungani (forthcoming) for further details. The price-to-rent ratio and price-to-income ratio depict the percent deviation of these ratios from their historical averages, calculated over 1970–2000.