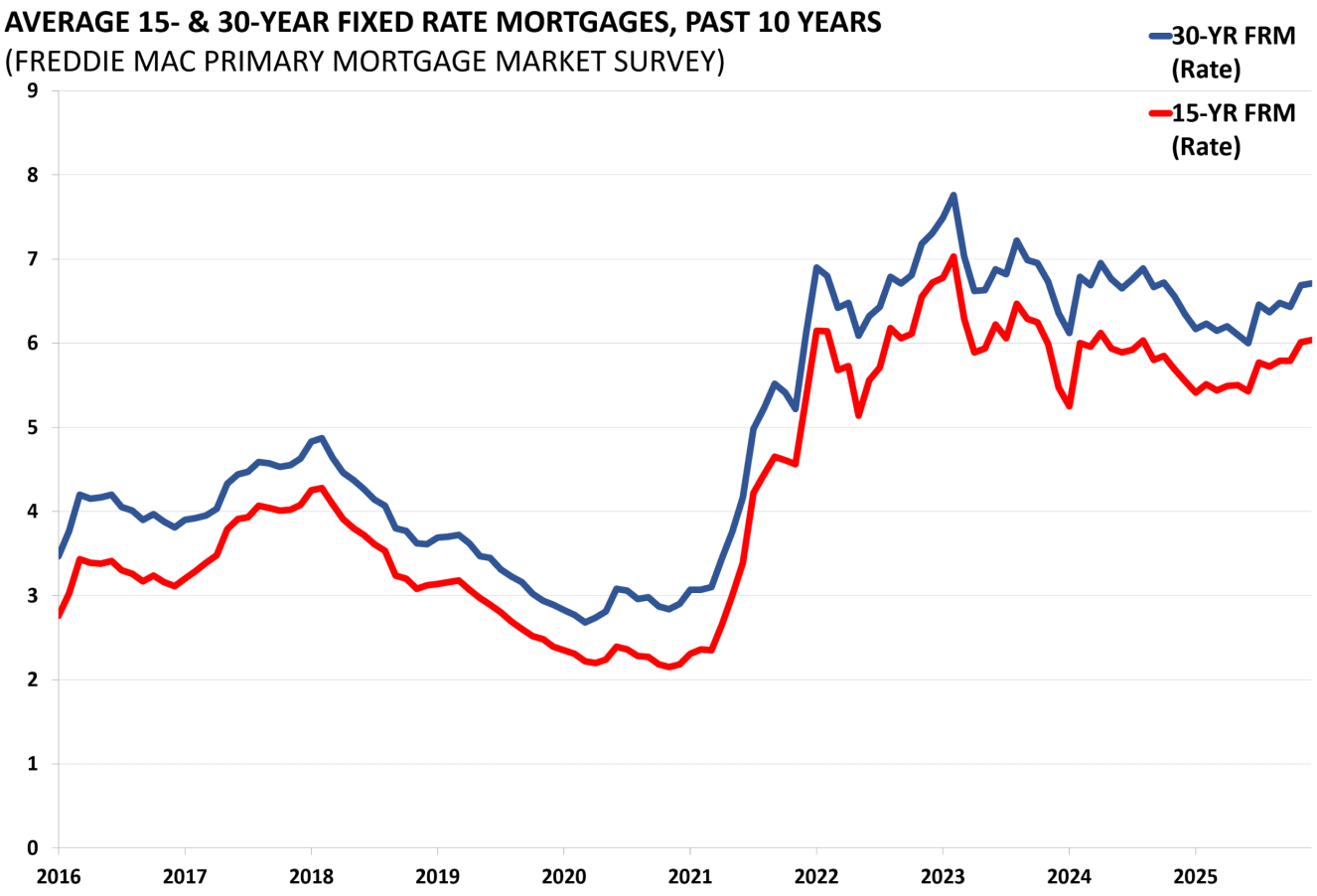
The Daily Dish

Housing

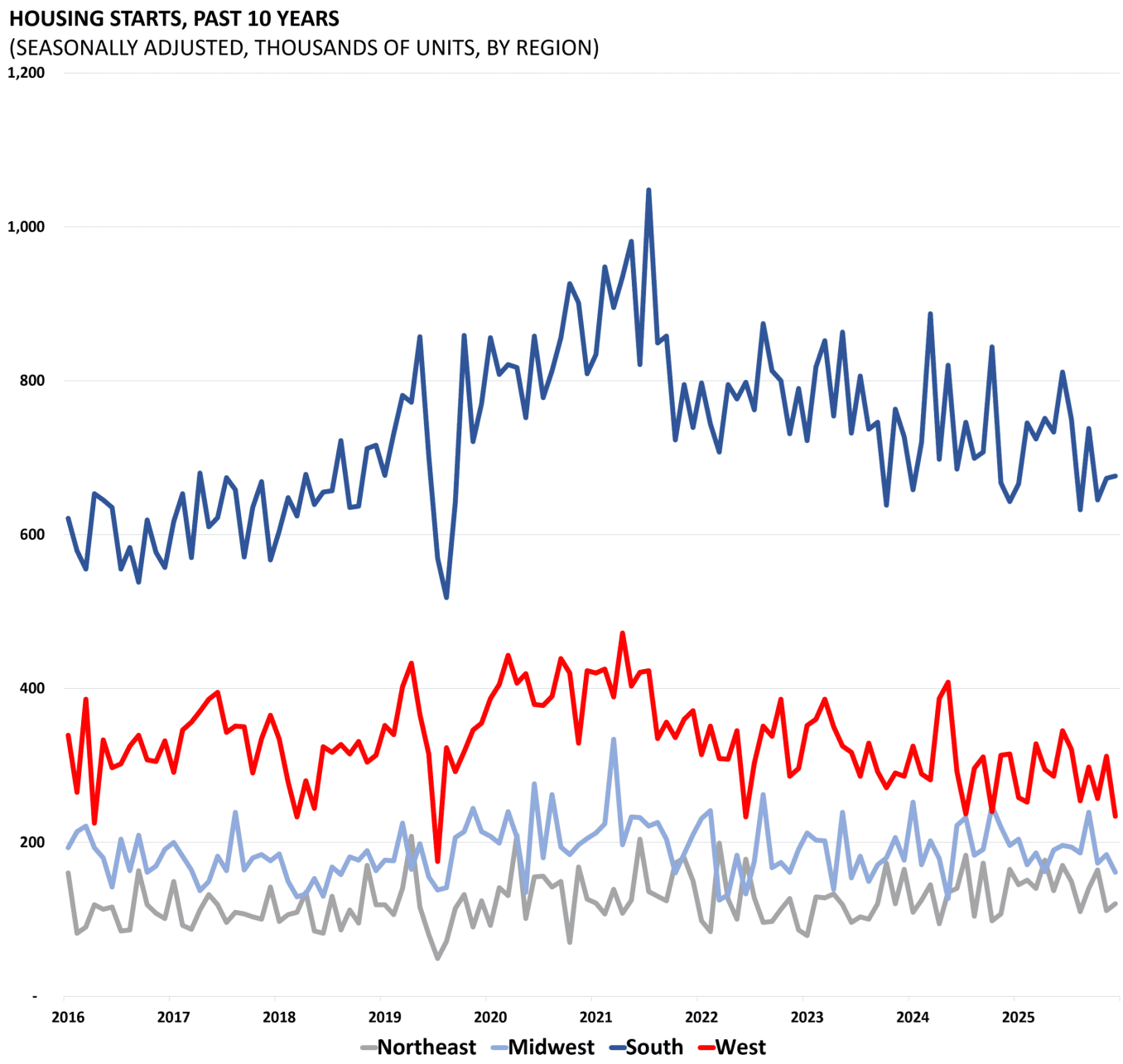
DOUGLAS HOLTZ-EAKIN | NOVEMBER 25, 2026

The third quarter, 2026 edition of Thomas Kingsley's Housing Chartbook is available. It is not news that the housing market is not exactly booming. The usual story is that mortgage rates are high (see chart, below).

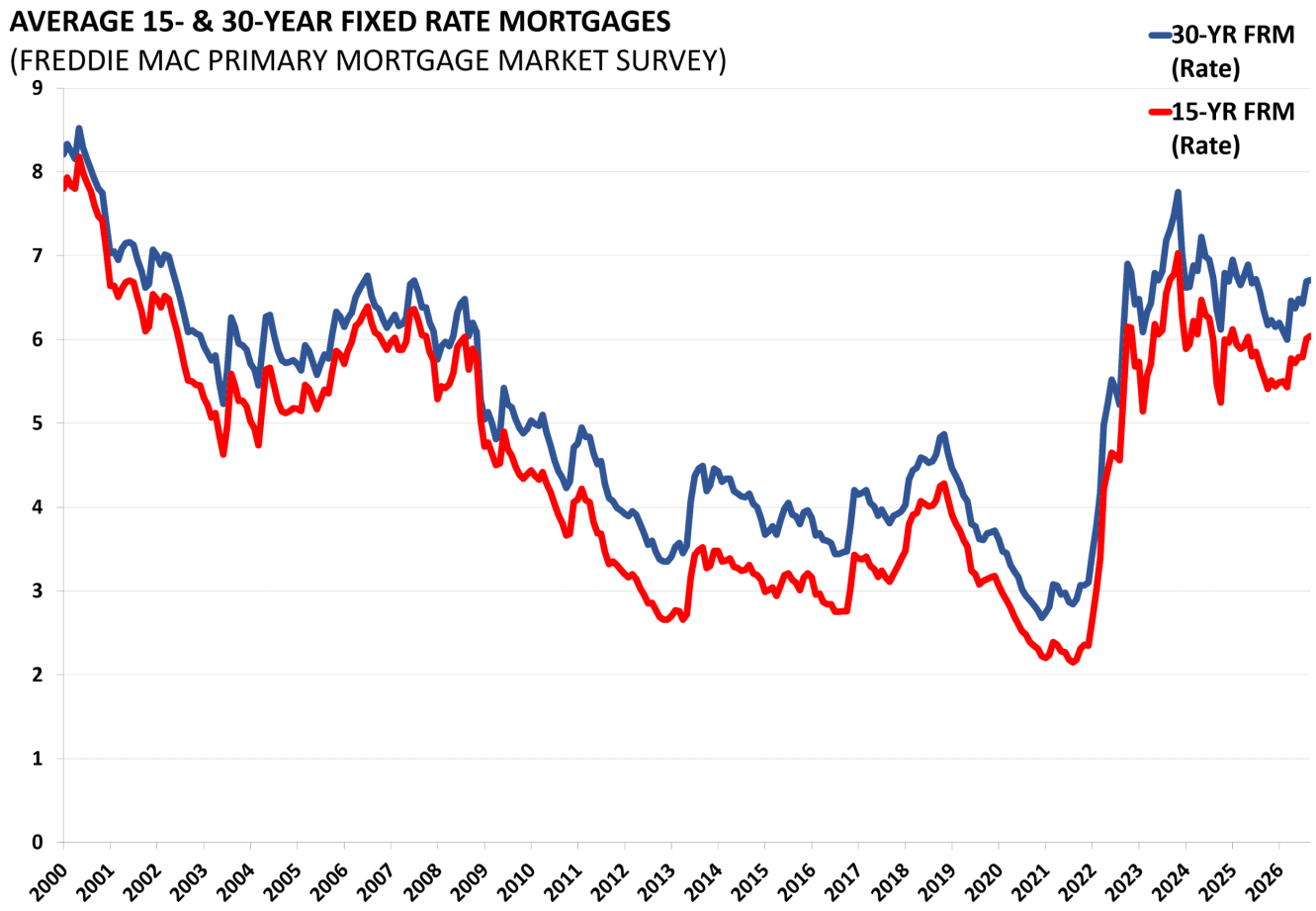


The elevated level of mortgage rates translates into lower new home sales, existing home sales, housing construction, housing permits, or housing starts (pick your favorite). Housing

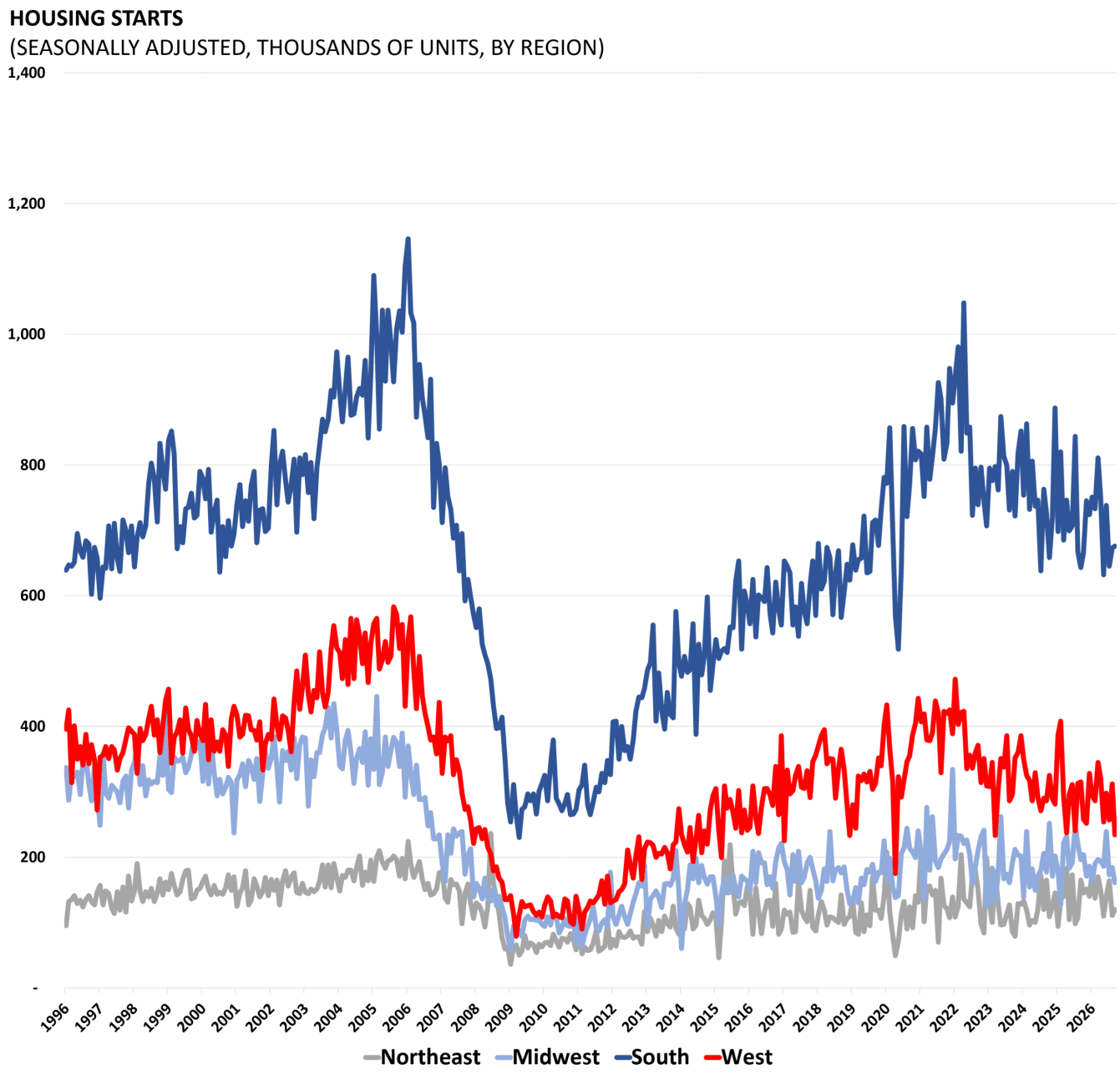
starts in the four major regions are shown below.



Here's the more surprising reality. When looked at over a longer time period – 30 years versus 10 years – there is nothing dramatic about housing market conditions. Here are the same two charts over those 30 years. Mortgage rates are similar to the levels found 20 to 25 years ago.



Similarly, housing starts look a lot like they did at the turn of the century (see below).



Eakinomics thinks there are two lessons to be drawn from a fuller inspection of the Chartbook. First, while the United States has been here before, conditions are such that housing is more likely to go up than down in activity. Accordingly, if the Fed tightens further, there is less likelihood that this will translate into a reduction in housing construction activity and further repercussion down the supply chain. When inflation is back to the 2-percent target and the Fed normalizes rates, however, the upward potential is greater than usual. One looks forward to that day.

The other lesson is that the United States never seems to learn the housing market lesson. There is a history of excessively easing housing policy, generating housing booms and

bubbles, and then having the bubbles pop. This history should be kept in mind when considering ideas such as low-down-payment mortgages and the like.

The Chartbook is an invaluable resource. Take a tour today.