Press Release

Testimony on The Economic and Housing-Market Outlook

PAULINA ENCK | DECEMBER 1, 2022

In today's testimony before the House Committee on Financial Services, AAF President Douglas Holtz-Eakin discusses the current state of housing market inflation.

His main points:

- The dominant feature of the economic landscape is consumer price inflation. Housing has a central role in the emergence and control of that inflation.
- Owner-occupied and rental housing markets have displayed high and rising prices, despite a recent construction boom. This suggests that the primary underlying cause of stress is demand stimulus from federal subsidies, especially those from the housing government-sponsored enterprises Fannie Mae and Freddie Mac.
- Before looking to new initiatives, Congress would be better served by a more complete understanding of the current state of existing subsidies, both from existing Housing and Urban Development initiatives and COVID-19 grants, from which a significant amount of funding remains unspent.

Watch the Hearing

Read the Testimony