

The Affordable Mortgage Depression

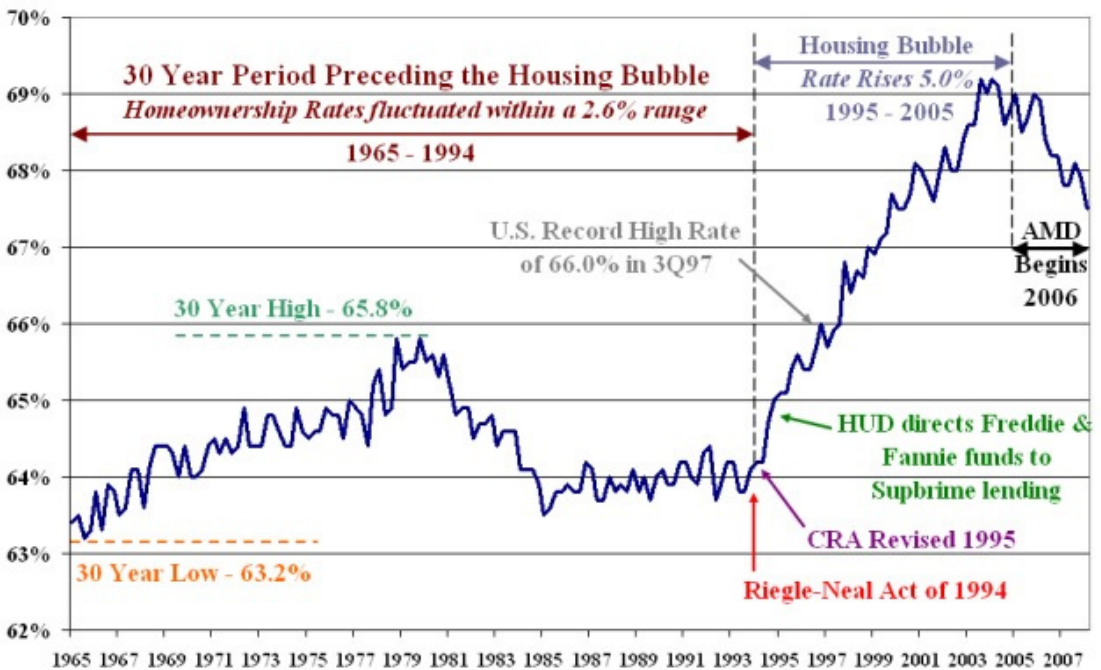
Government policies were designed to increase homeownership. Affordable Mortgages, created to realize this goal, were responsible for the Housing Bubble and distorted the economy. The unwinding of these distortions will result in a Global Depression.

The Homeownership Bubble - An Economic Crisis Explained

I continue to be mesmerized by analysis of U.S. Homeownership Rates. The data clearly:

- Establishes when the Housing Bubble began
- Reveals a point of origination where a reasonable person would begin to search for an explanation for the spike in homeownership
- Highlights how dramatic the inflection point was
- Demonstrates the extraordinarily steep slope of those gains
- Documents homeownership rates establishing a U.S. record of 66.0% in 3Q97
- Provides an understanding as to why housing prices began to rise at an unsustainable pace in 1997
- Contrasts the U.S. economy's supportable homeownership range of 63.5% - 65.0% with the Housing Bubble peak of 69.2%

U.S. Homeownership Rates



The data also provides insight into where we are in the downturn and a perspective on when it is likely to end.

Historically the U.S. economy has supported a structurally sustainable Homeownership range of 63.5% to 65.0%. The current ownership rate is 67.3%. Due to a reversion to pre-bubble market conditions, that rate will fall at minimum to 65%. Based on an understanding of the Boom-Bust cycle dynamic, I continue to believe that Homeownership Rates will decline to below 64% over the next several years to devastating effect.

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[Kevin](#) wrote:

5/6/2009 1:16 AM

Good post...

i am linking to it in today's lineup...

<http://www.housingcrisisnews.com/>

(lead story)

also, via twitter...

<http://twitter.com/HousingBubble>

have bookmarked you & subscribed.

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[Dead End](#) wrote:

5/6/2009 5:54 AM

I can't believe Bill Clinton declined any sort of culpability for the housing crash, when NBC fluffed, or rather interviewed him.

<http://thelastgoodidea.blogspot.com/2009/02/bill-clinton-revisionist-historian.html>

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