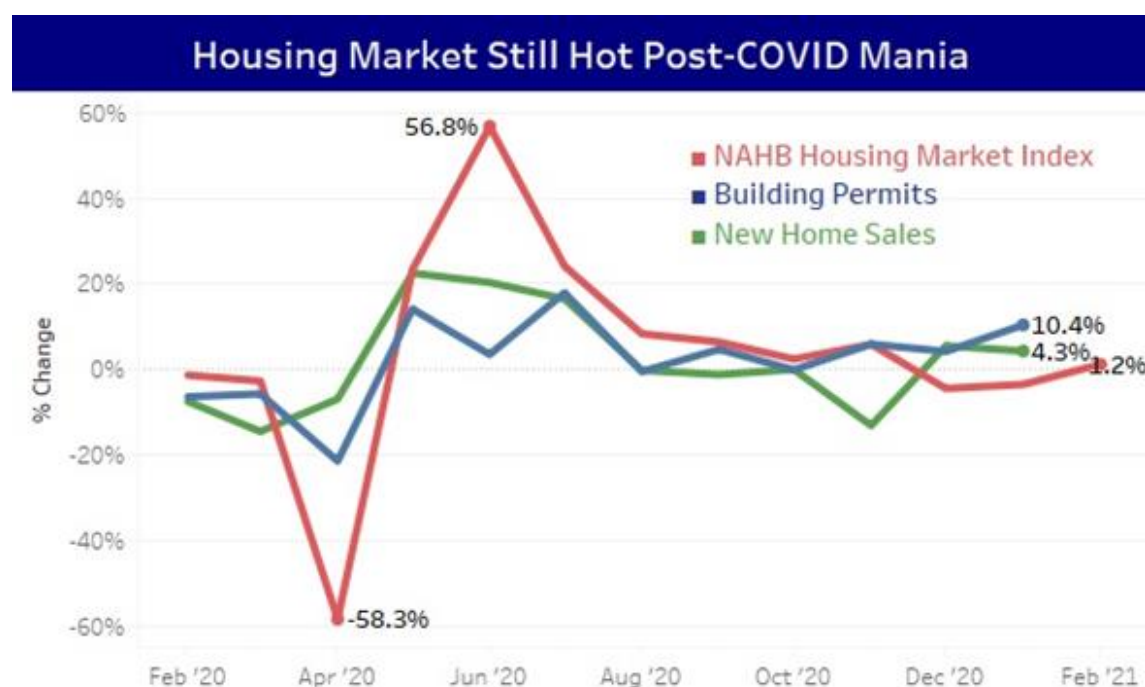


## Housing Market Continues to Be Hot

If you have been paying attention to the housing market you know it's bonkers (technical term) right now. This week, the [S&P Case-Shiller National Home Price](#) Index reported that house prices rose more than 10% in 2020.

**By the numbers:** The momentum in housing has kept up into 2021. In January, Building Permits increased more than 10%, New Home Sales over 4%, and Existing Home Sales 0.6%. Pending Homes Sales fell 3%. Housing Starts fell 6%, but that's after an 8% increase in December. The NAHB Home Builders Index fell, as it did in December. However, it rose in February.



**Why is this happening?** The housing market and prices are being fueled by a desire of families for more space and low mortgage interest rates. Low inventory, as measured by the [National Association of Realtors](#), is driving prices higher.

The rebound of the housing market is one of the brightest parts of the recovery. It is likely to continue through the spring buying season. There was no such season last year because of COVID-19. There remains pent-up demand from that missed season.

**Looking ahead:** Mortgage rates are likely to rise in the coming months. Once the pent-up demand is released in the spring, perhaps then the housing market will come back to Earth. But for now, it will remain hot and prices elevated.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce

