



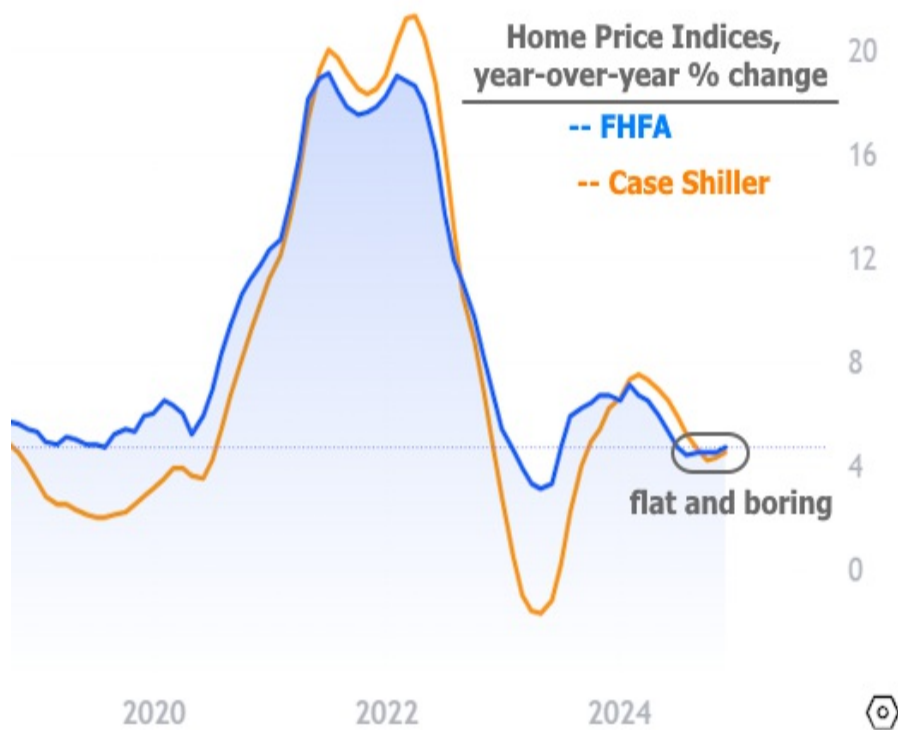
## Home Price Growth is Probably The Last Thing to Worry About These Days

The massive spike and subsequent correction in home price appreciation (mid-2020 through early 2023) generated lots of opinions and concerns about the fate of the housing market. Early on, the fear was that prices were rising too high, too quickly. By mid-2022, the fear was that home prices were en route to a crash that could be reminiscent of the infamous mortgage meltdown and great financial crisis.

Of those two fears, only the first was ever going to be valid (i.e. a melt-down style contraction wasn't possible without the other ingredients in place 20 years ago). Prices definitely rose too high, too fast, but let's face it: the average homeowner isn't really scared of their home becoming more valuable. It's only housing economists and first time homebuyers that are truly troubled by runaway prices. Even then, higher prices were a bit of an illusion due to all-time low interest rates.

By early 2023, the Case Shiller home price index had dipped well into negative territory, year over year. At the time, we were comfortable reminding our readers that this was a logical byproduct of rapidly rising rates and a much-needed correction from the blistering pace of appreciation seen through early 2022.

Two years later and things really couldn't look any more boring, and this week's most recent update to both the major home price indices is just the latest confirmation.

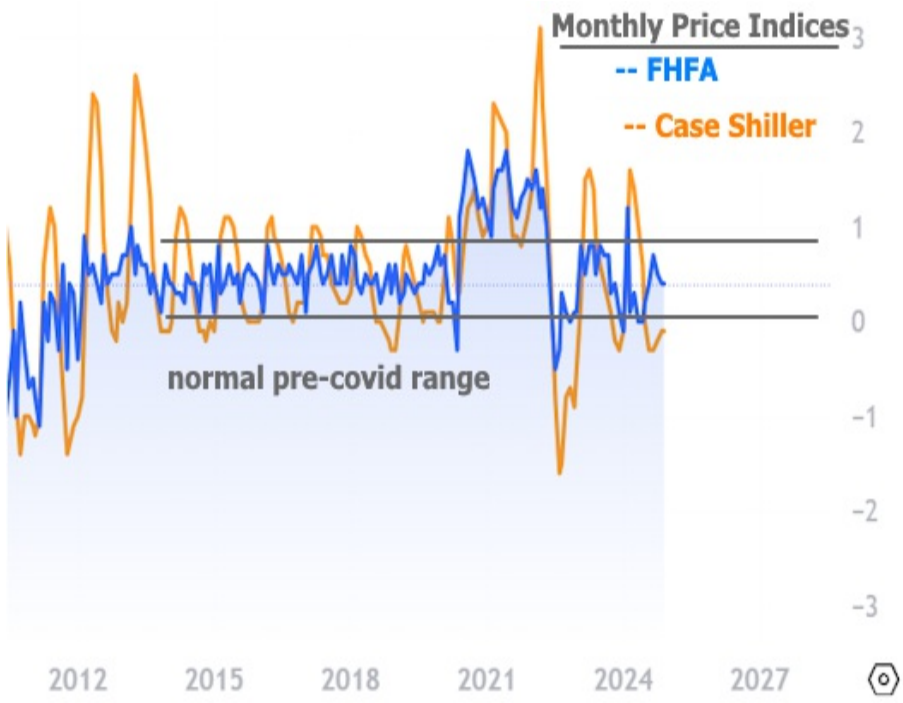


Even if we look at the super noisy month-to-month readings, we can still see both indices bouncing around the historically normal mid-point like a well-behaved EKG. Granted, Case Shiller's EKG rhythms are a bit wider than normal, but this is always the more volatile of the two series.



**Joshua Daniel**  
Managing partner, NAV Lending  
P: (303) 929-0578  
M: (303) 929-0578  
2380692





Long story short, nothing to see here. We'll sound the alarm when it looks like that's changing.