

Housing in the Nation and in New England

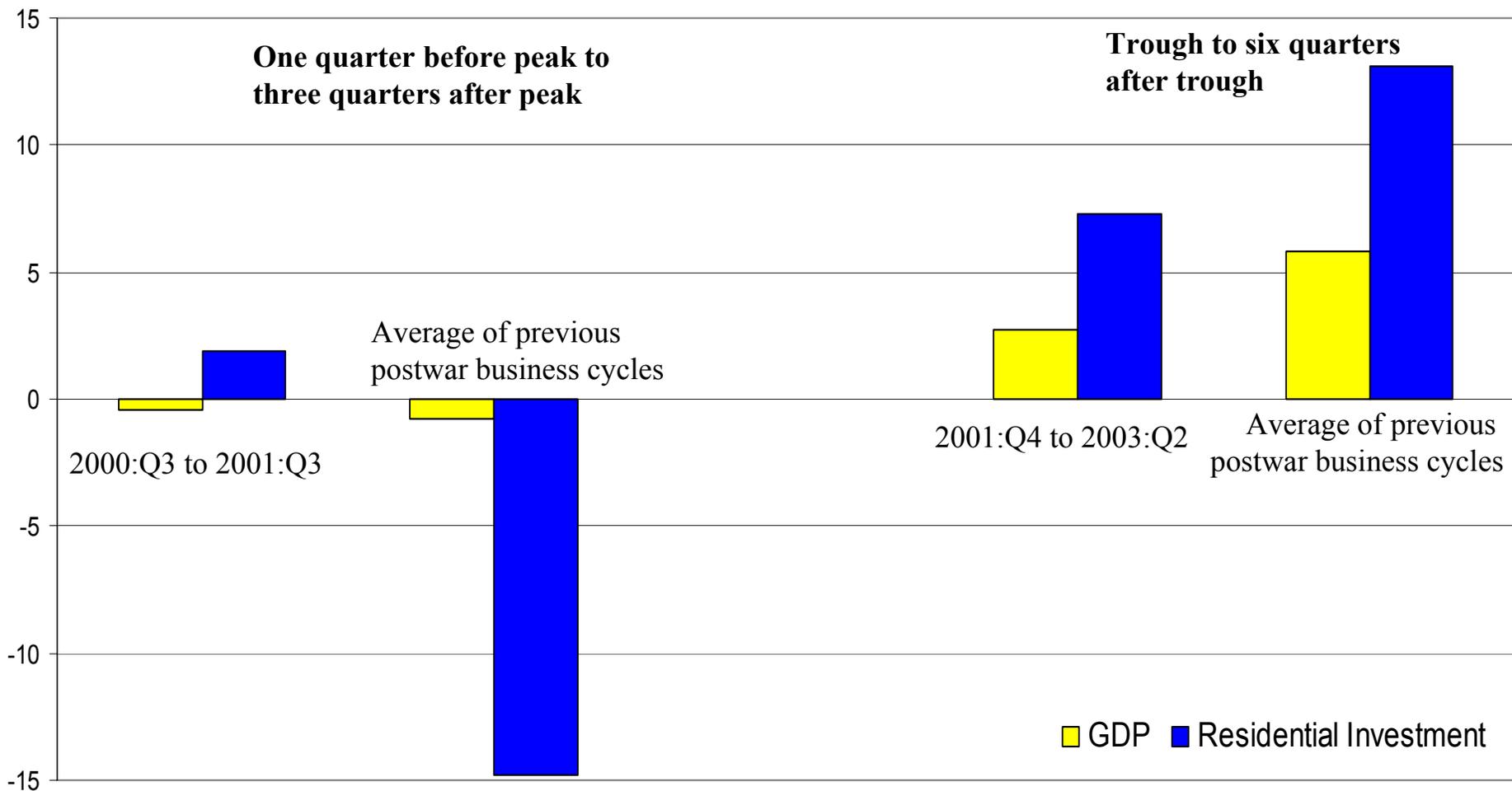
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Presented to the New England Economic Project Conference
Housing: Status and Consequences
October 16, 2003

Figure 1

The cycle in residential investment has been unusually smooth

Residential Investment and Gross Domestic Product (\$1996)
(annualized percent change)

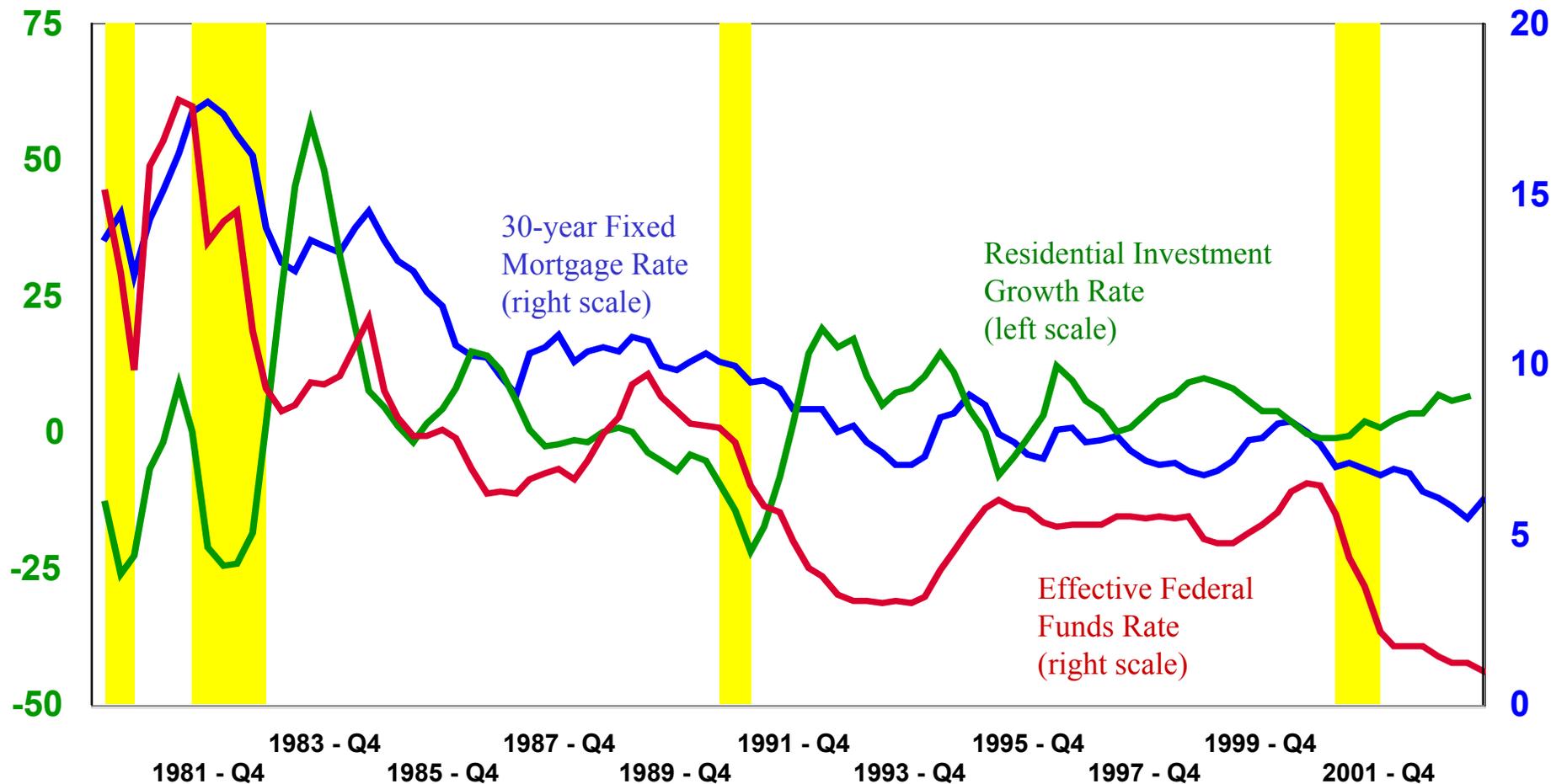


Sources: Federal Reserve Bank calculations and Bureau of Economic Analysis

Figure 2

Low interest rates have helped to stabilize residential investment

Residential Investment, 30-year Fixed Mortgage Interest Rate and Effective Federal Funds Rate



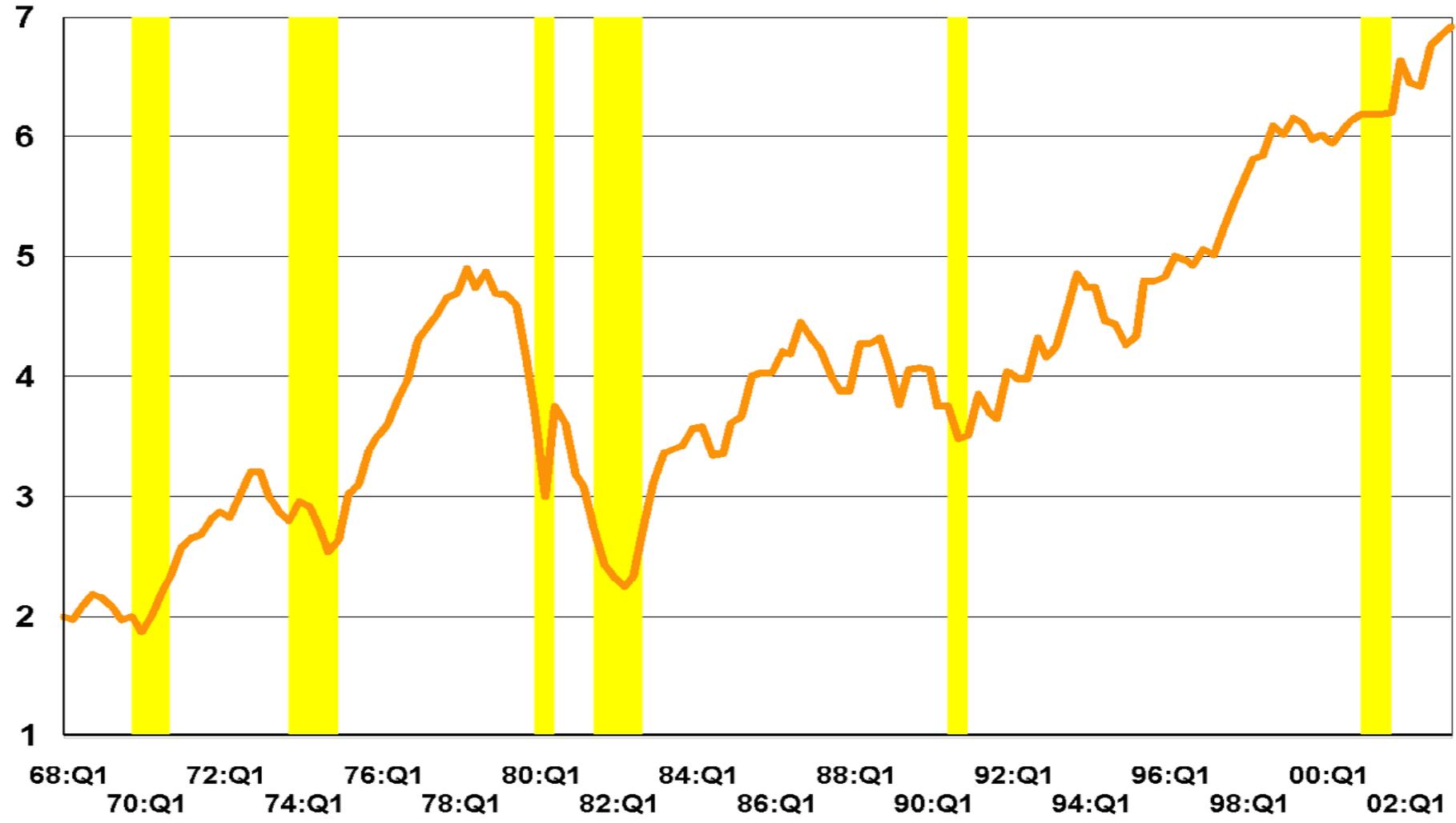
Note: yellow shaded region indicates period of recession, as defined by NBER

Sources: Federal Reserve Board, Federal Home Loan Mortgage Corporation, Bureau of Economic Analysis and National Bureau of Economic Research

Figure 3

Historic interest rates have produced historic home sales

Total One Family Home Sales
(millions)



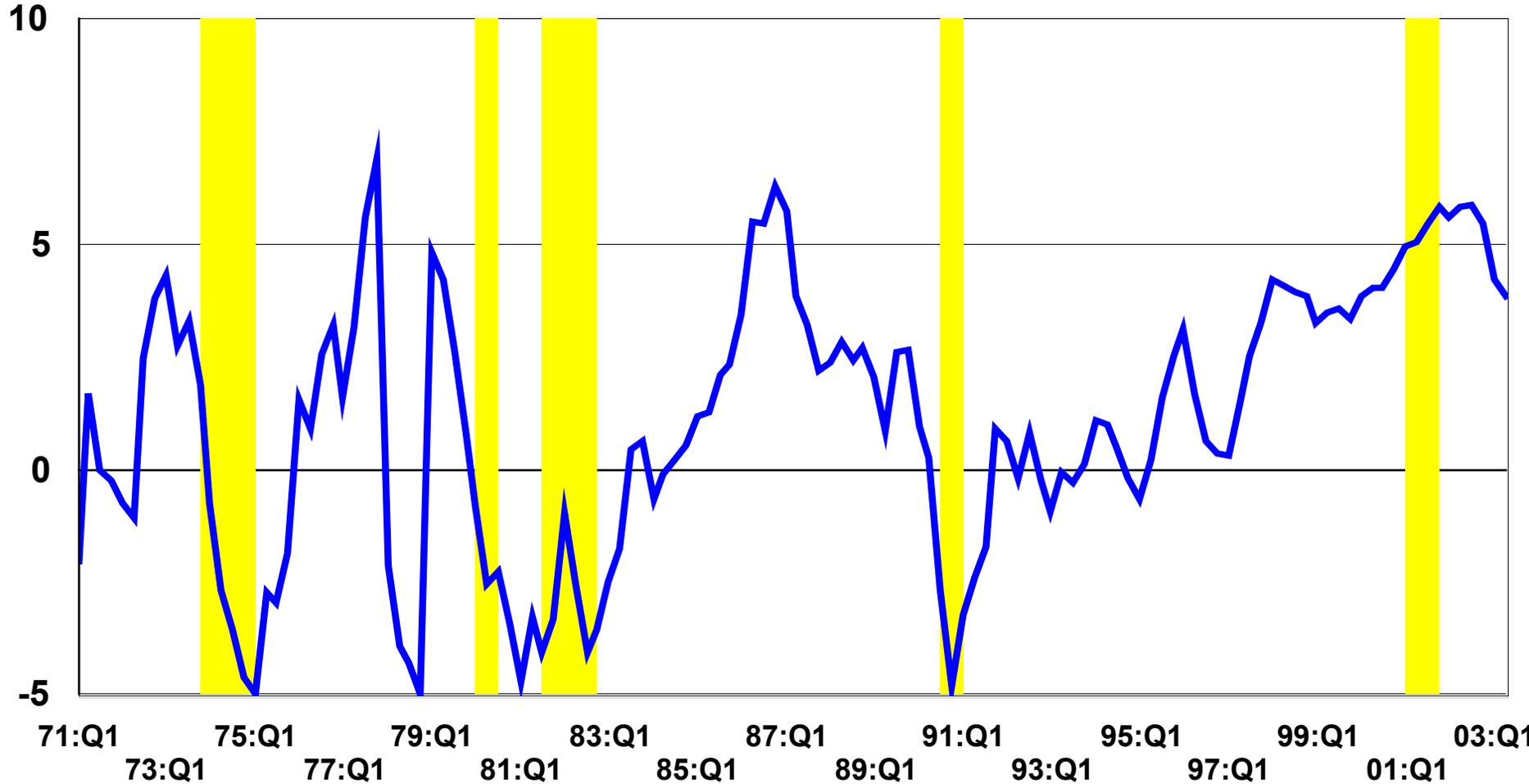
Note: yellow shaded region indicates period of recession, as defined by NBER

Sources: National Association of Realtors, U.S. Census Bureau and National Bureau of Economic Research

Figure 4

The relatively strong demand for housing during this cycle has induced rapid price increases

Real Conventional Mortgage Housing Price Index
(percent change, year over year)

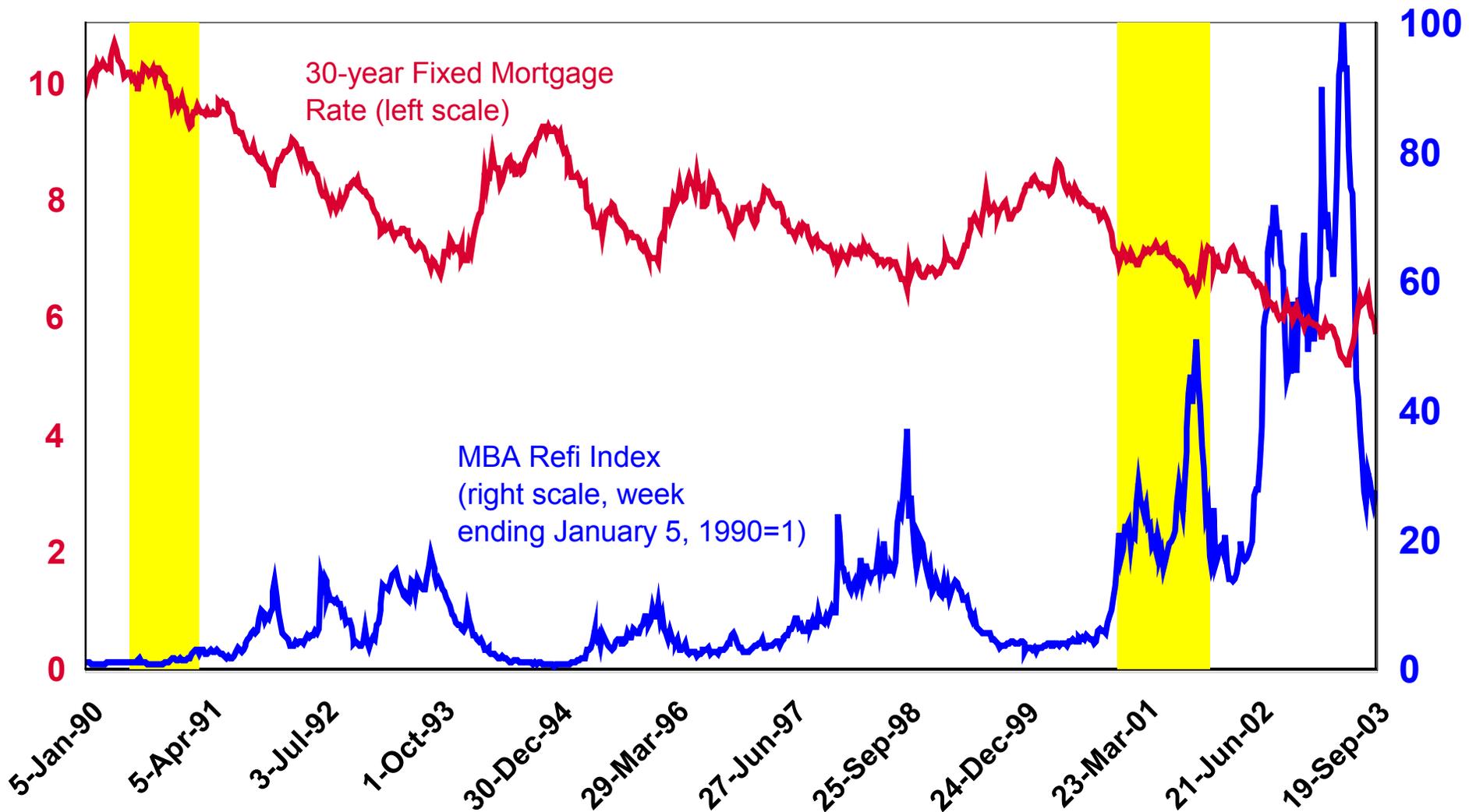


Note: yellow shaded region indicates period of recession, as defined by NBER; real CMHPI was calculated by subtracting the seasonally adjusted year over year change in the consumer price index for all items, as given by BLS, from the CMHPI

Sources: Federal Home Loan Mortgage Corporation, U.S. Bureau of Labor Statistics and National Bureau of Economic Research

Figure 5

MBA Refinance Index (week ending January 5, 1990=1) and 30-year Fixed Mortgage Rate

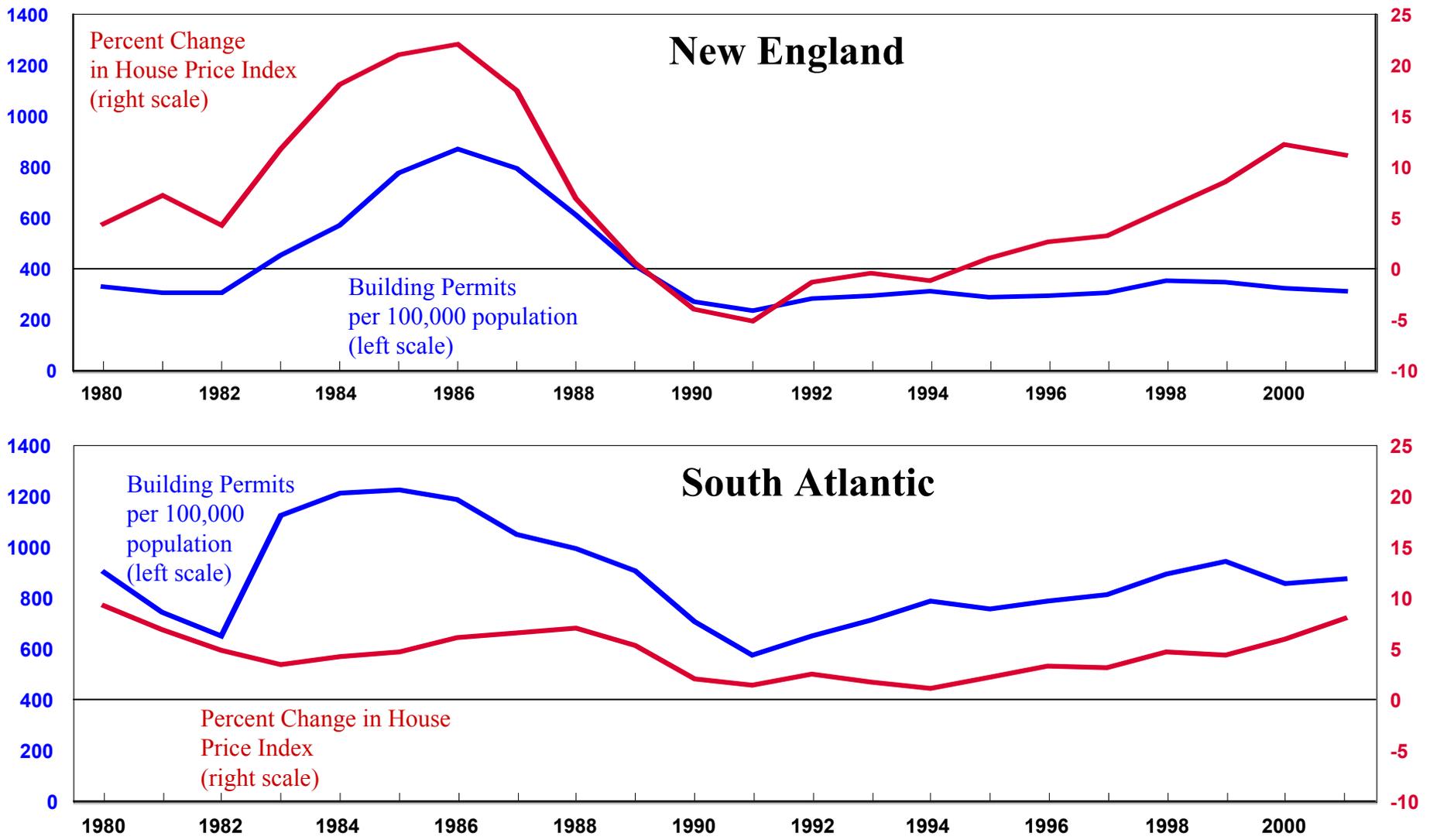


Note: yellow shaded region indicates period of recession, as defined by NBER

Sources: Federal Home Loan Mortgage Corporation, National Bureau of Economic Research and Mortgage Bankers Association

Figure 6

Changes in Housing Prices and Building Permits for New England and South Atlantic Census Regions



Sources: Office of Federal Housing Enterprise Oversight and U.S. Census Bureau