

“The Housing Market Is Improving...Or Is It?” by Carl Hudson, director of the Atlanta Fed’s Center for Real Estate Analytics

EconSouth Third Quarter 2012 “Fed@Issue”

Discussion questions

1. According to the author, how does the condition of the housing market influence the outlook for the economy? Cite specifics from the text to support your answer.
2. What data did Chairman Bernanke site as evidence of optimism in the housing market in his July 17, 2012 congressional testimony?
3. Use evidence from the text to define “shadow inventory.” What does the anecdotal evidence gathered by the Atlanta Fed indicate is assisting home price appreciation?
4. What were 30-year and 15- year fixed-rates for mortgages in midsummer 2012? How do these rates compare with historic averages? By the summer of 2012, what had happened to the ability of borrowers to qualify for a mortgage?
5. What are echo boomers? What are factors making it difficult for echo boomers to qualify for mortgages?

Related links

[Real Estate Research: "Are Household Formations on the Verge of Taking Off?"](#)

Share this July 17, 2013, blog post to explore the issue of household formations.

["No Place Like Home? The Future of the Housing Market"](#)

Use this podcast to help your students explore the role of demographic forces on housing markets and future expectations.

["What’s the Story behind Household Formations?"](#)

Use this video to take a deep dive into the impact of the Great Recession and sluggish recovery on household formations.

[Real Estate Research: "Why the Housing Rebound May Continue at a Slower Rate Than Hoped For"](#)

Use this July 10, 2013, blog post by Carl Hudson to provide an update to his *EconSouth* article.

[Zillow](#)

Have students use Zillow’s mortgage education center to learn the basics of the home buying process, how to find the right loan. Check out the site’s mortgage calculator, too.