

Deflating Housing Bubble

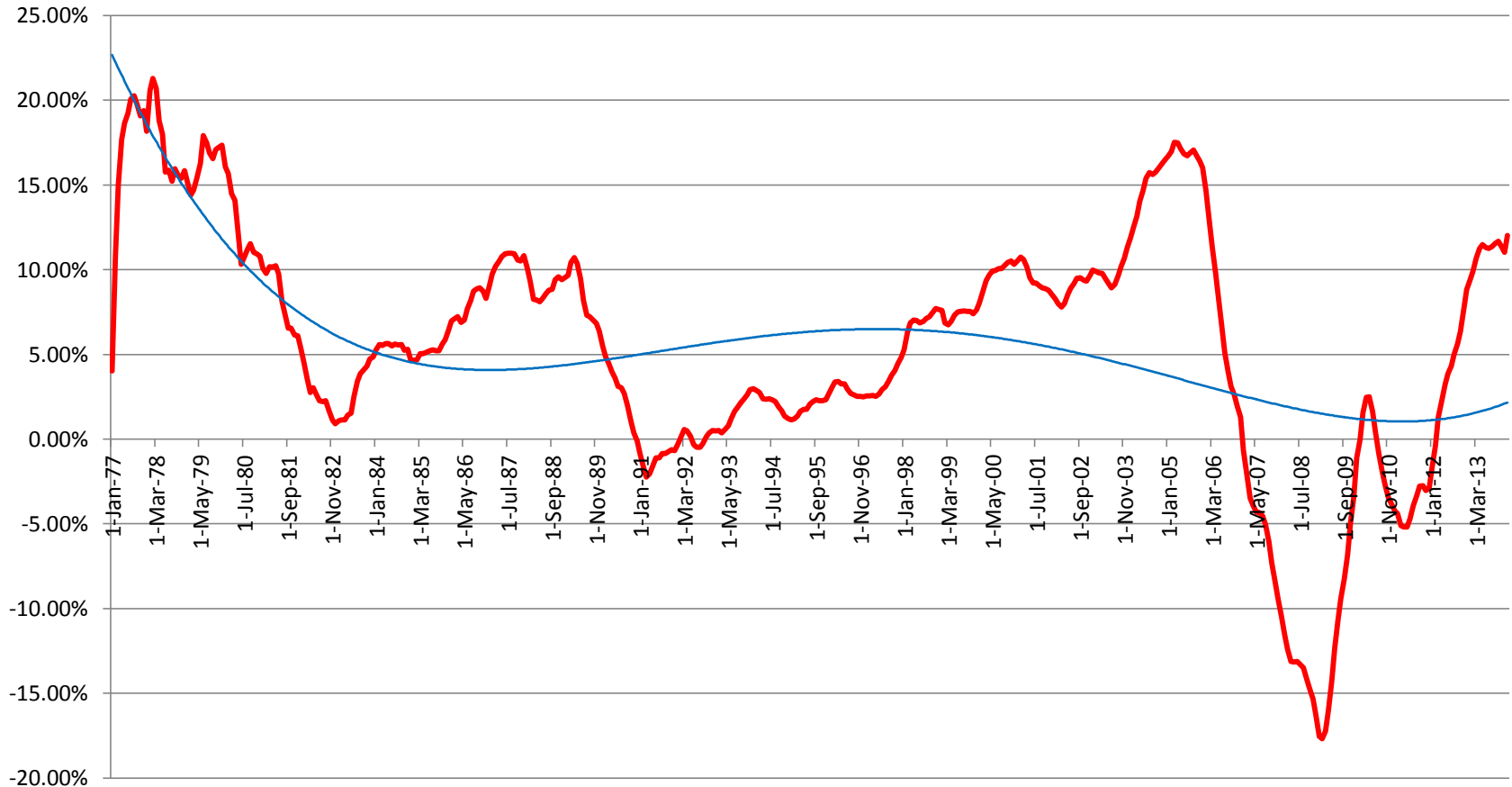
Comments by Christopher Whalen to
the Global Interdependence Center

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Have US Home Prices Recovered?

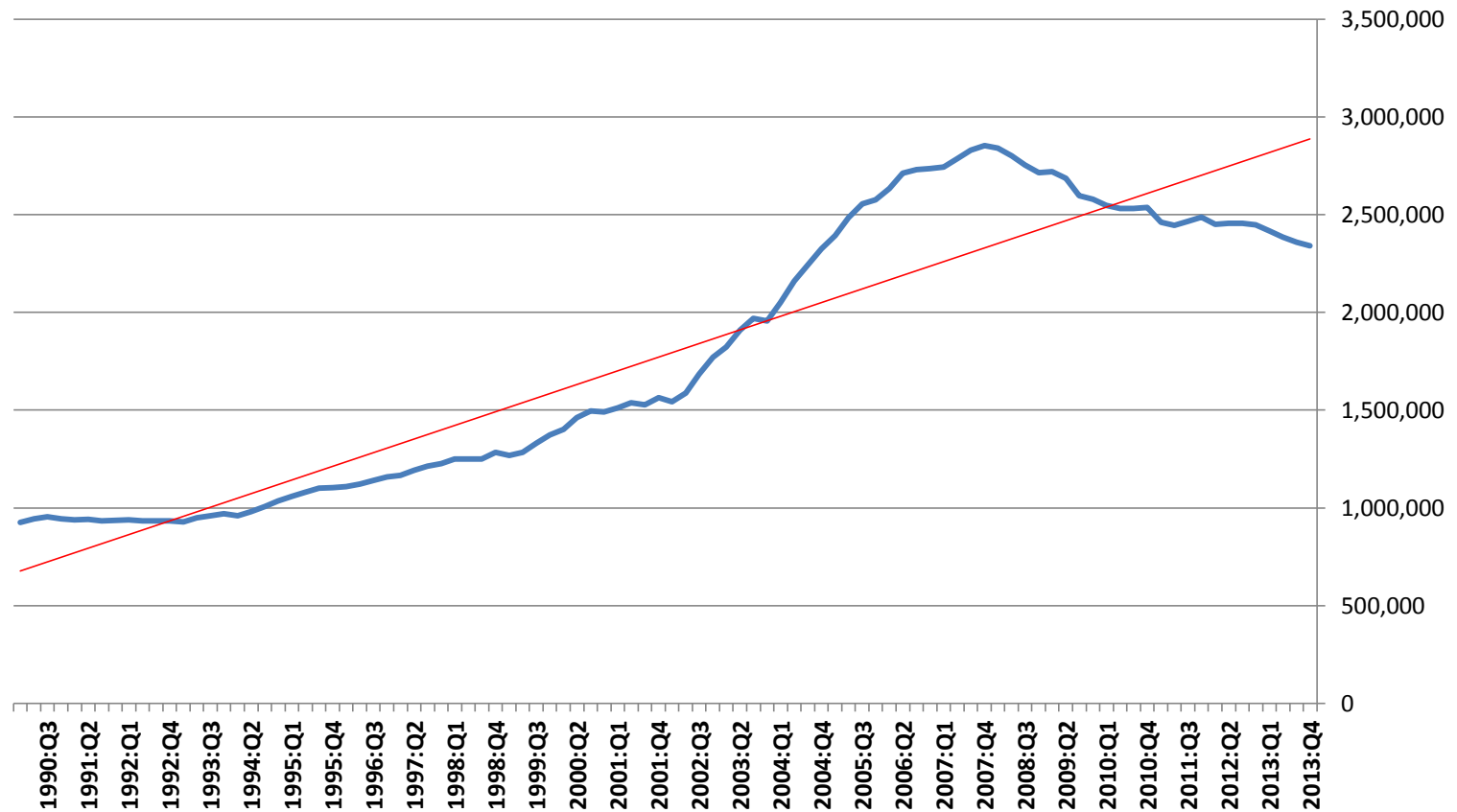
- US home prices up 12% in last year nationally to roughly 2004 levels after rising for 23 consecutive months since start of 2012 (CoreLogic)
- Between 20-30% of all US homes remain “under water,” creating supply pressures that are pushing prices higher in most attractive markets
- Mortgage lending volumes and loan applications are severely depressed due to new regulation, Basel III capital rules and other factors

Home Price Appreciation (%)



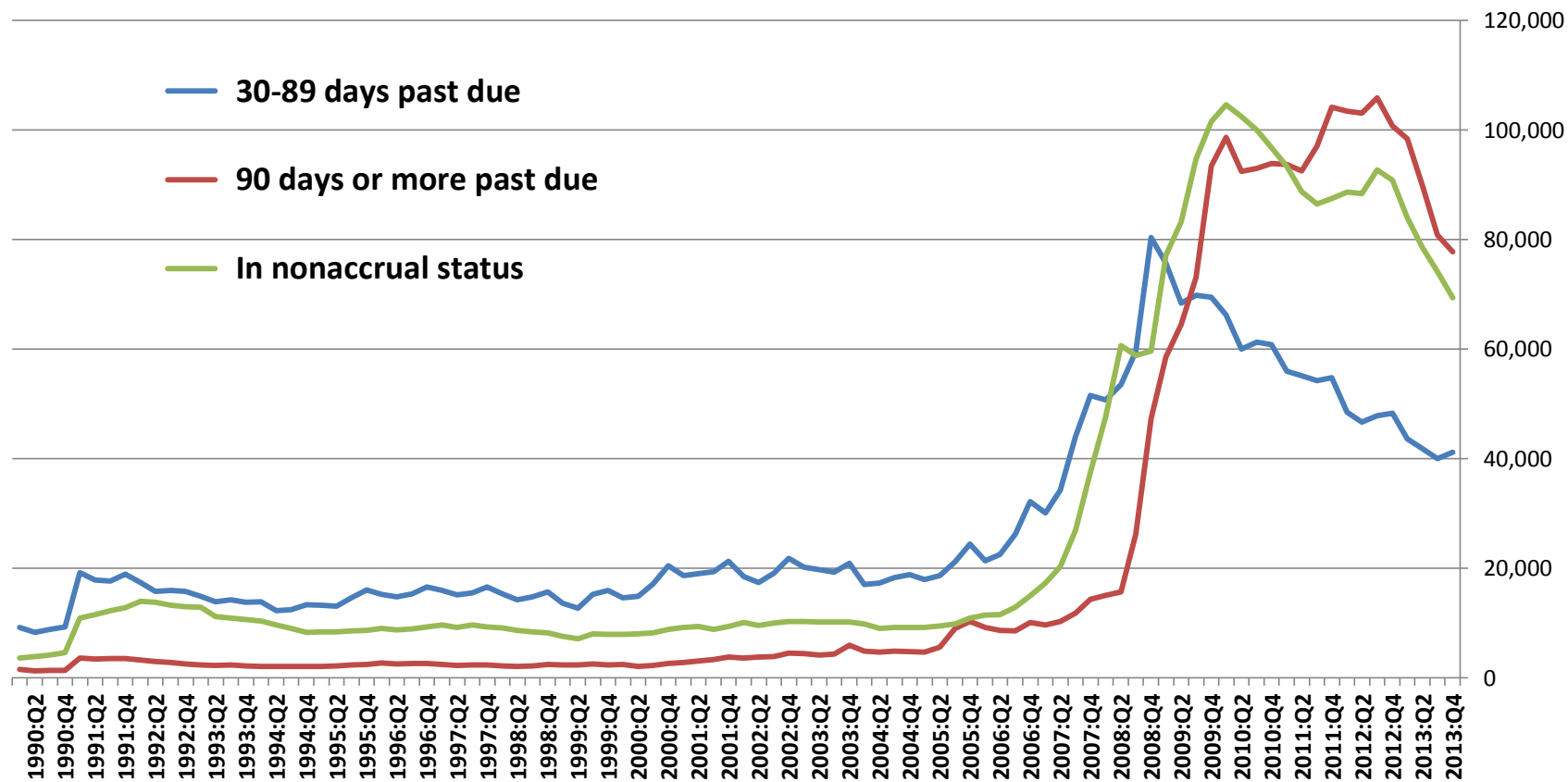
Source: CoreLogic

1-4 Family Loans Held by Banks (\$M)



Source: FDIC

Non-Performing Loans (\$M)



Source: FDIC

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