Housing Bubble 2.0

Return Of The Last War

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Preamble

Common beliefs about housing extolled by the financial media.

Housing Bubble 2.0 Preamble

- Housing “Bubble 1.0” inflated from 2002-2006.
- Bubble 1.0 imploded in 2008 ushering in the Great Financial Crisis (GFC), a decade of deflationary stagnation.
- The GFC created a worldwide, debilitating crisis that nearly capsized respective financial systems in developed economies.
- Housing bubble 1.0 finished deflating by 2011 - 2012.

PREAMBLE CONTINUED

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Housing Bubble 2.0 Preamble

- Financial media commentary in recent years acknowledges the existence of one or more asset bubbles in 2026 (the “A.I. Bubble”, for example), but repeatedly excludes housing real estate.
- The recency of real estate bubble 1.0 is common reason provided.

PREAMBLE CONTINUED

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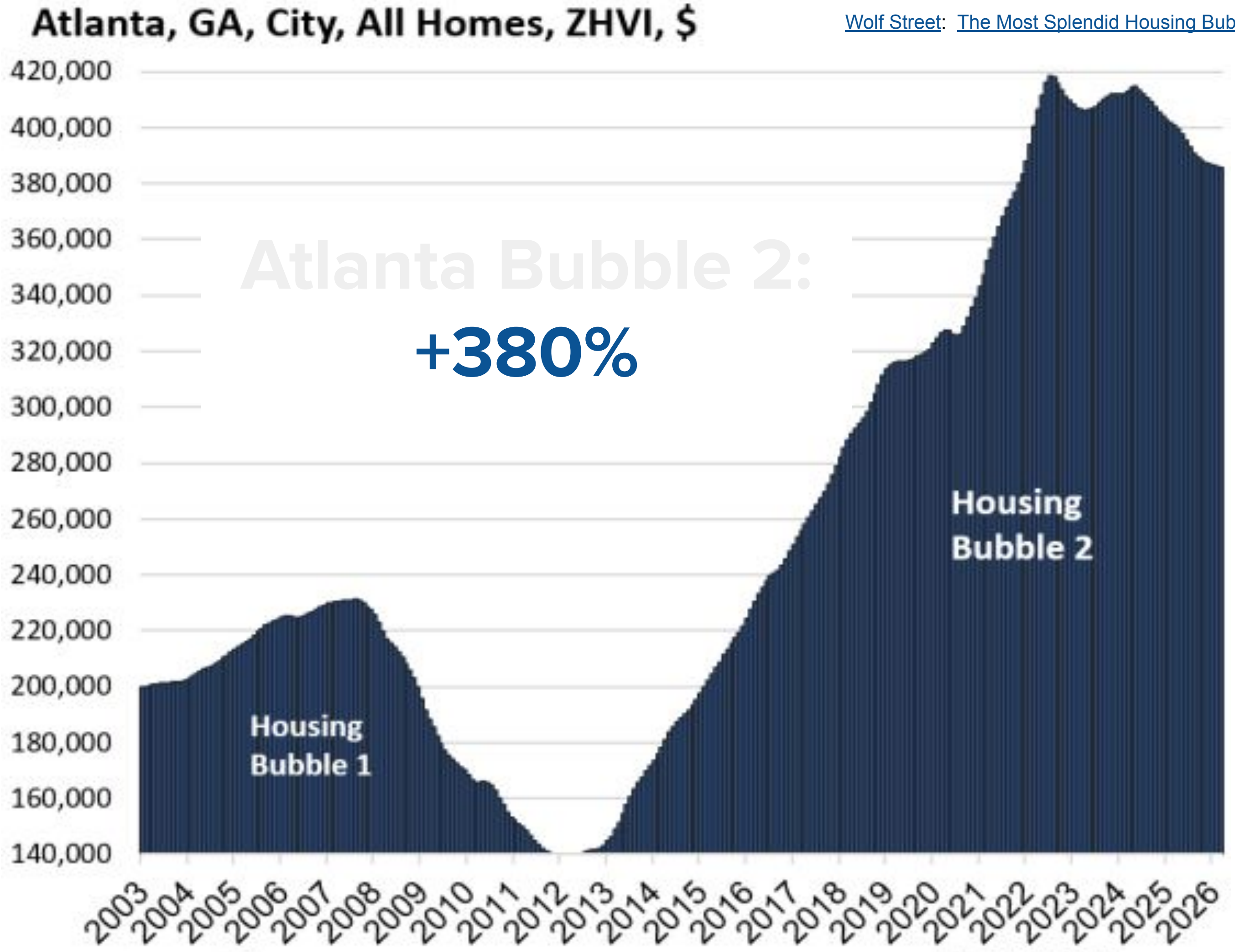
Housing Bubble 2.0 Preamble

- Financial analysts, believing the GFC will not be repeated, exclude housing from the list of overvalued asset markets.
- This exclusion is incorrect, outdated, or both.
- This presentation highlights 20+ metropolitan areas experiencing inflated valuations which vastly exceed the Great Financial Crisis Housing Bubble in 2008.

Housing Bubble 2.0

House price appreciation by Metropolitan area from 2012 - 2026


Atlanta, GA, City, All Homes, ZHVI, $
Atlanta Bubble 2:
+380%
Housing Bubble 1
Housing Bubble 2
420,000
400,000
380,000
360,000
340,000
320,000
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280,000
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200,000
180,000
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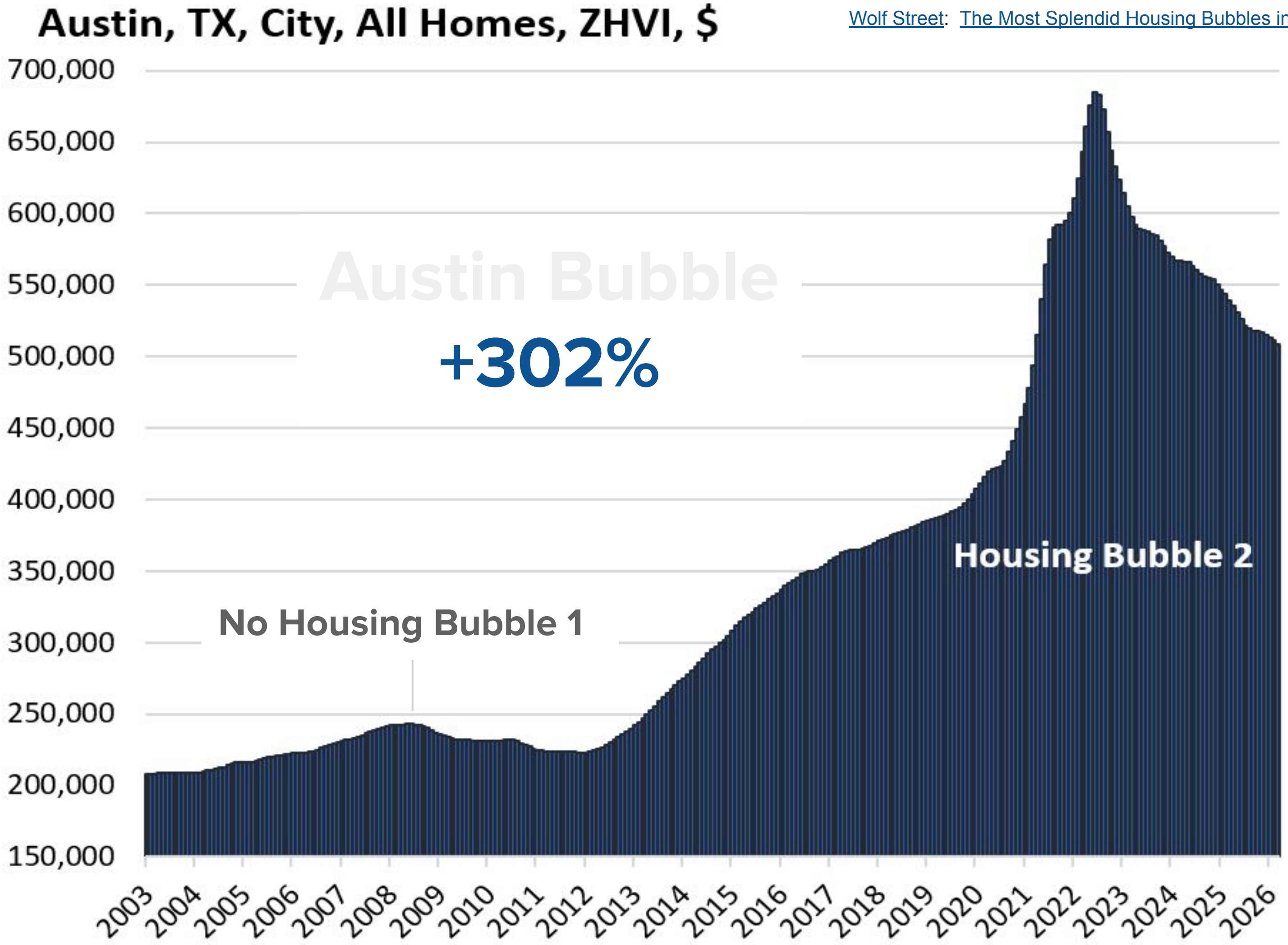
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

Wolf Street: The Most Splendid Housing Bubbles in America, April 16, 2026



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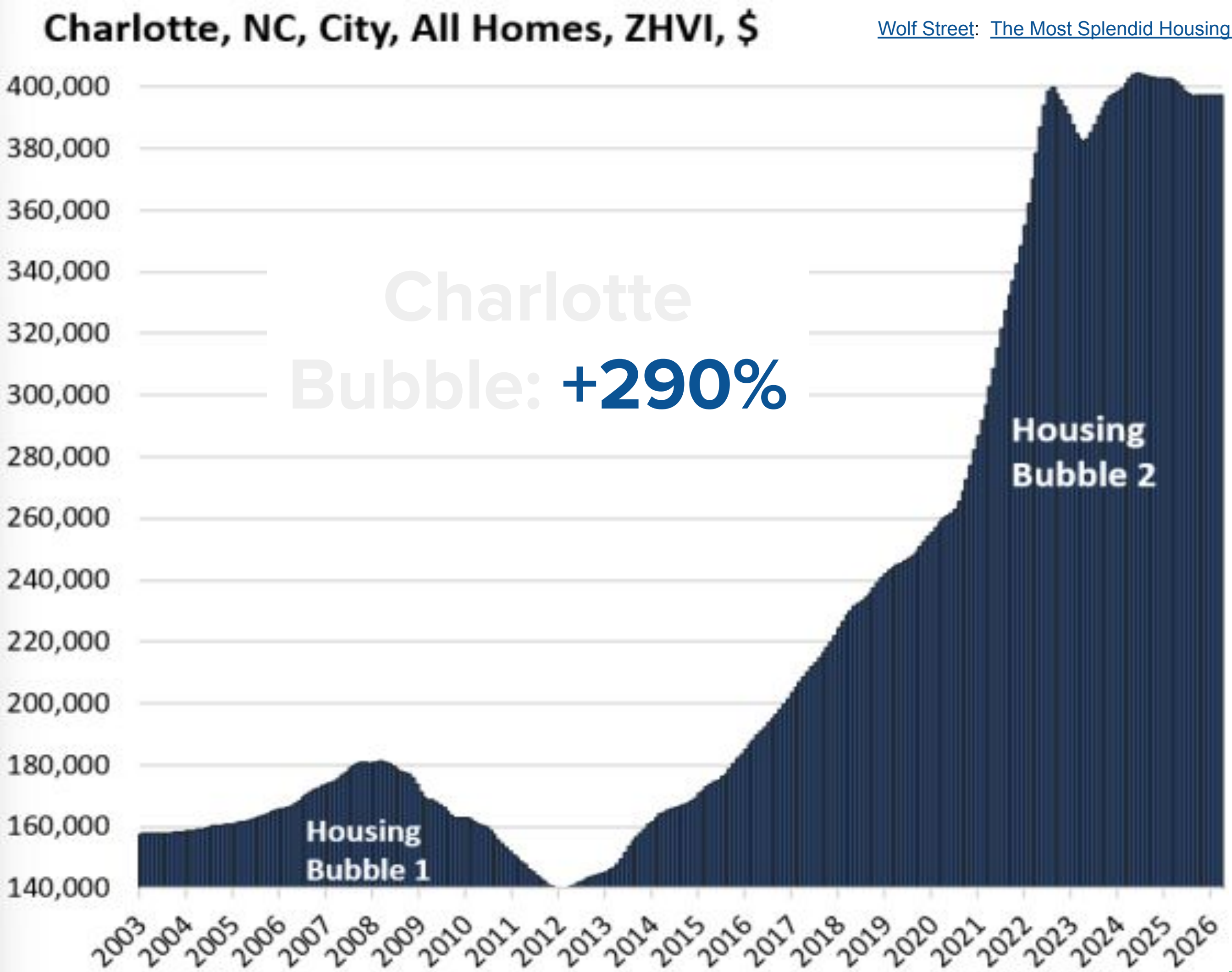

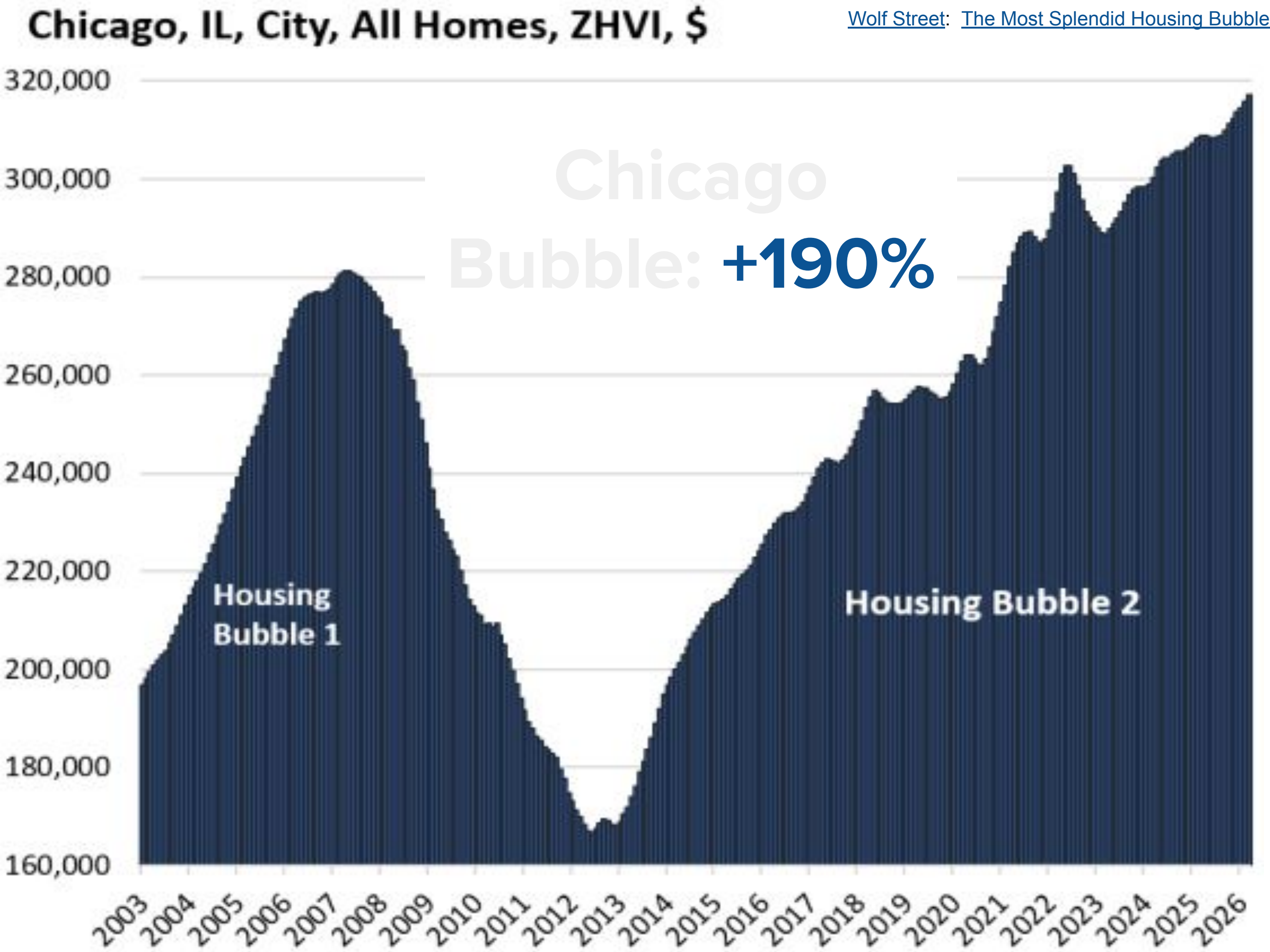
Chicago, IL, City, All Homes, ZHVI, $
Chicago
Bubble: +190%
Housing Bubble 1
Housing Bubble 2
320,000
300,000
280,000
260,000
240,000
220,000
200,000
180,000
160,000
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

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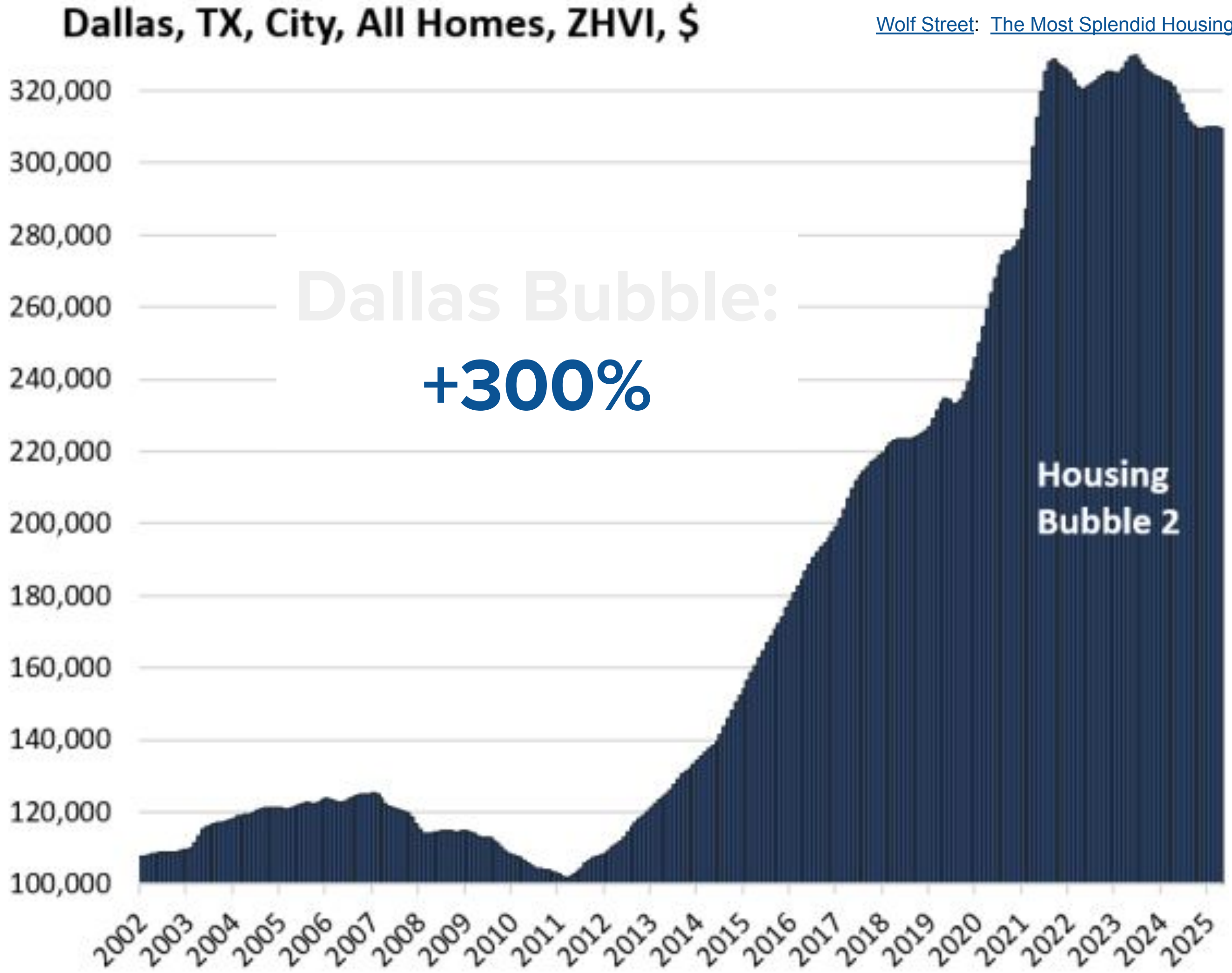

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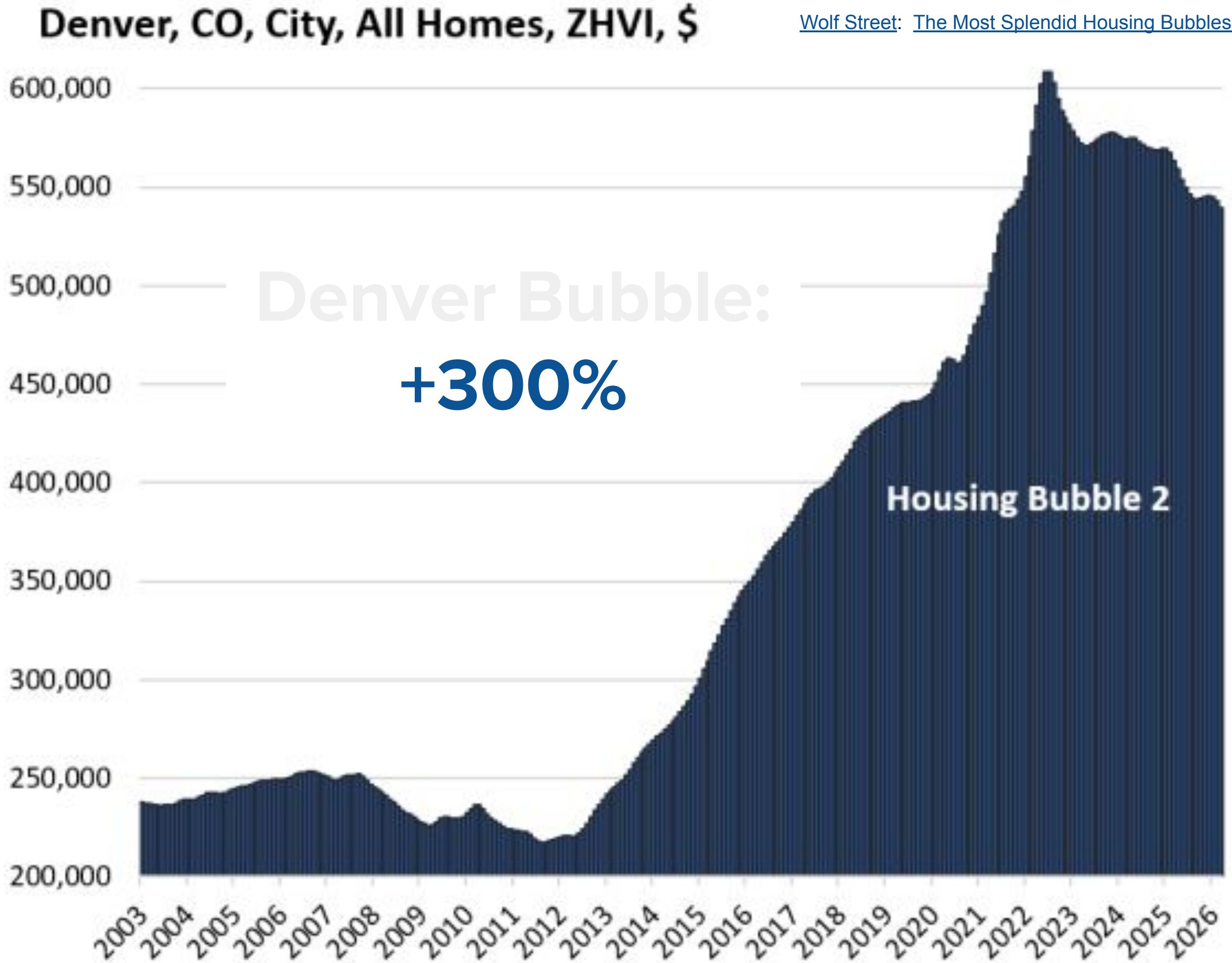

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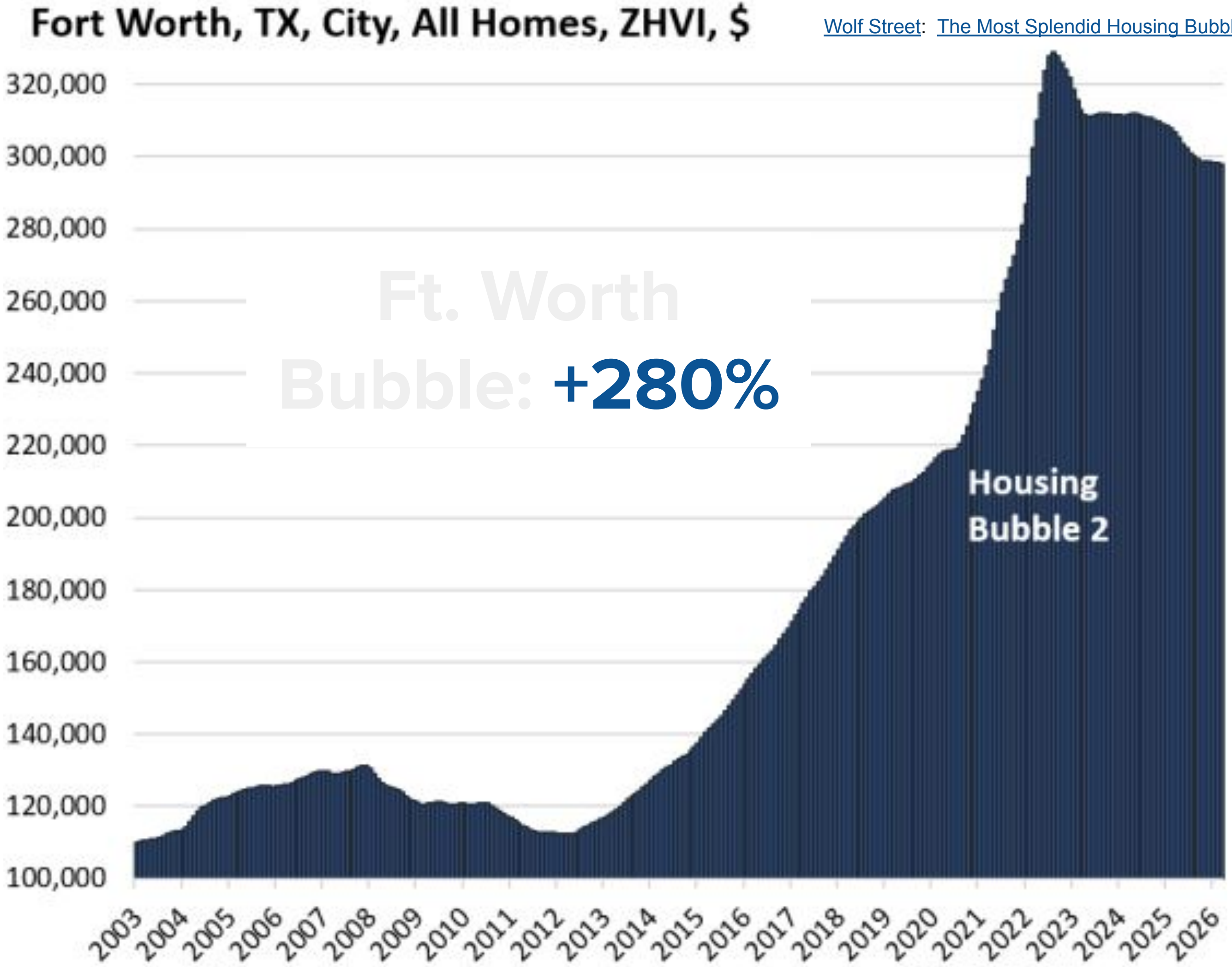

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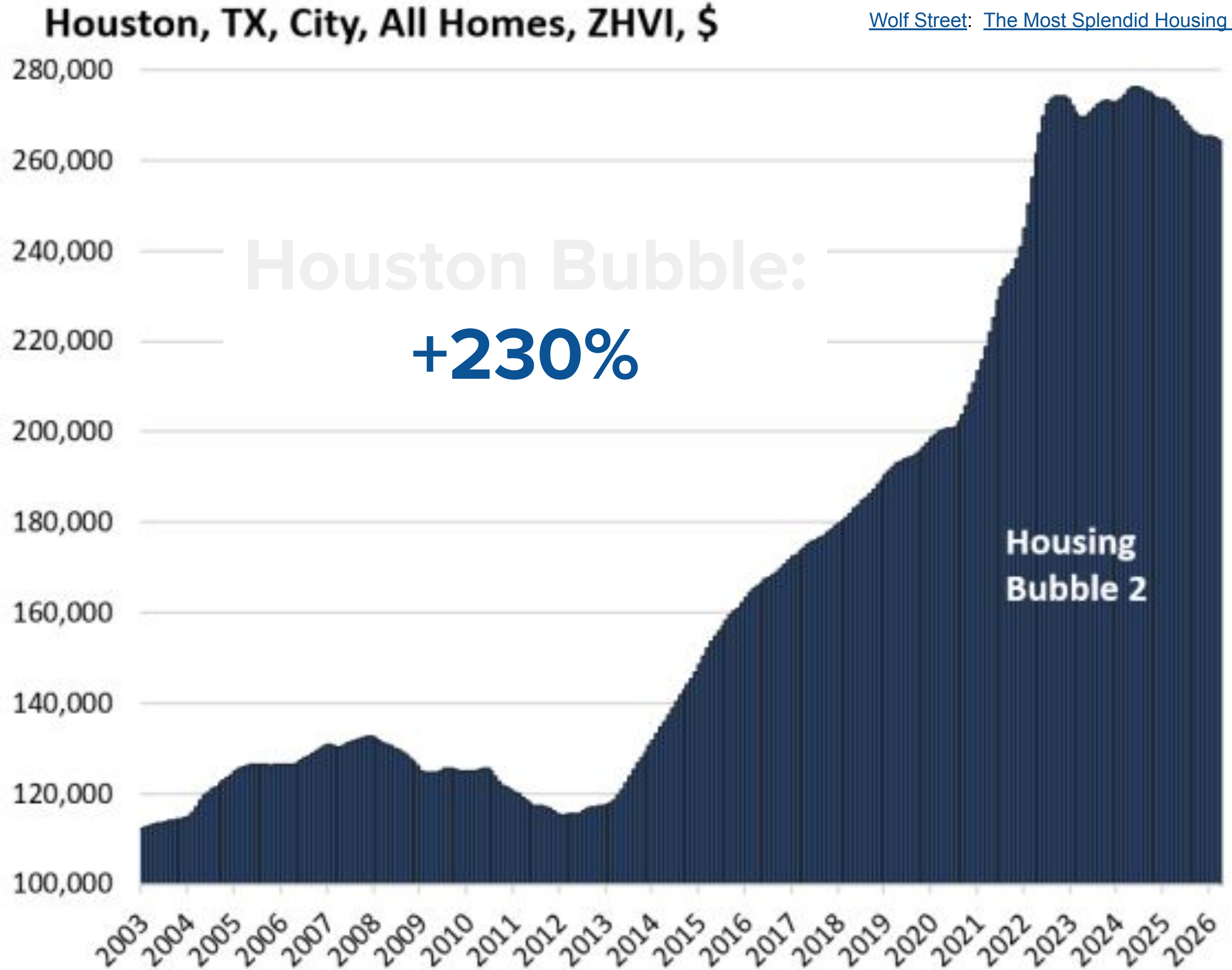

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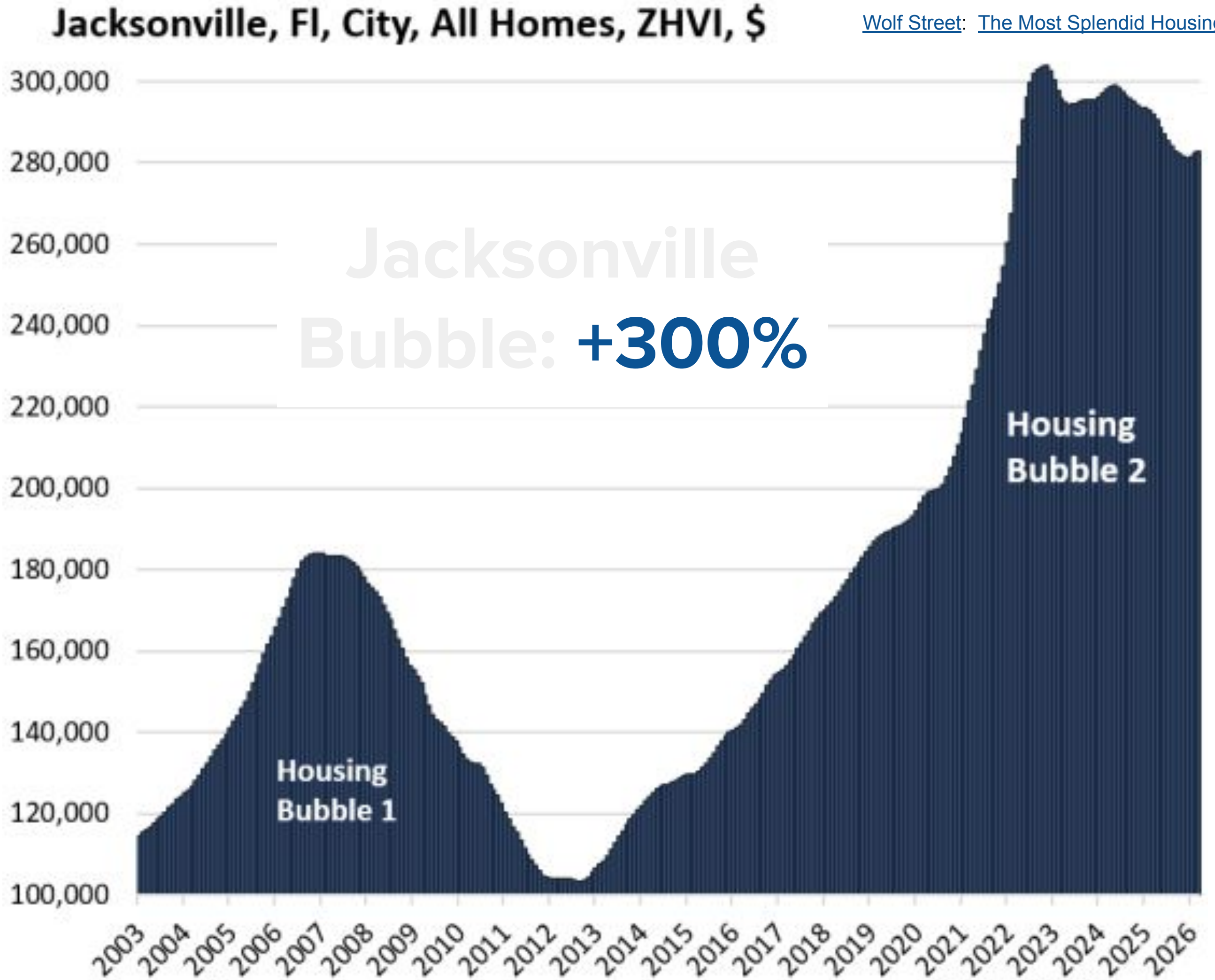

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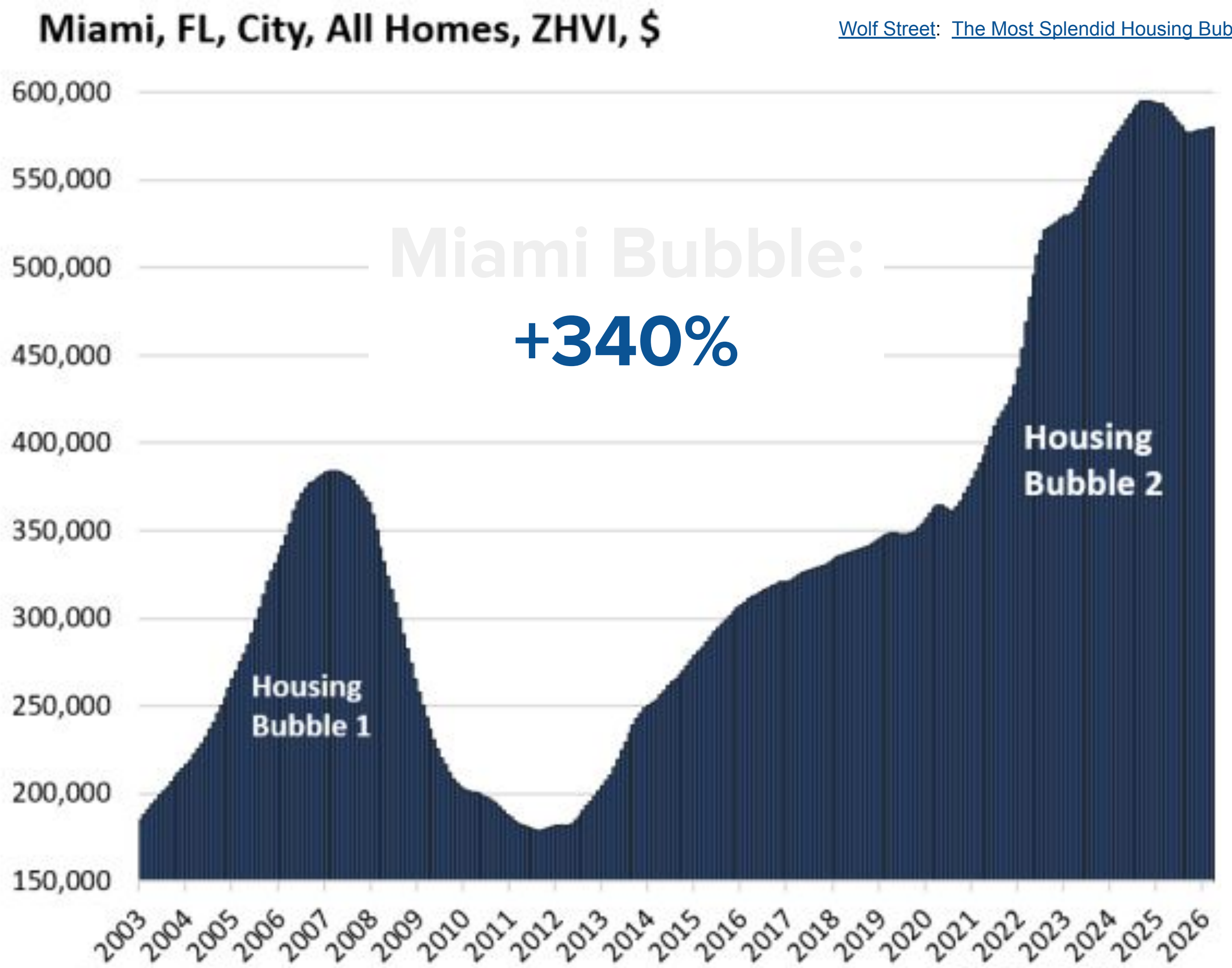

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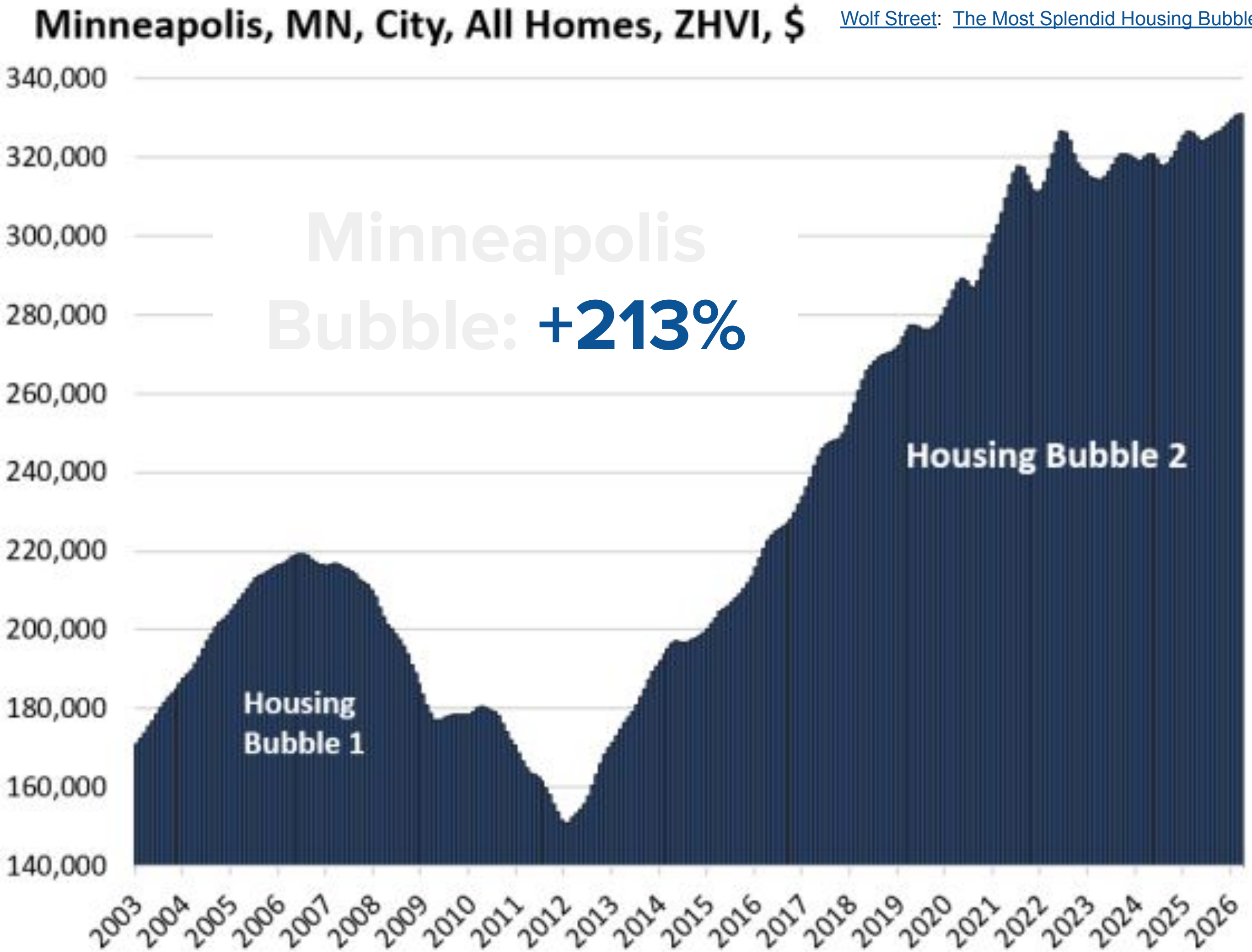

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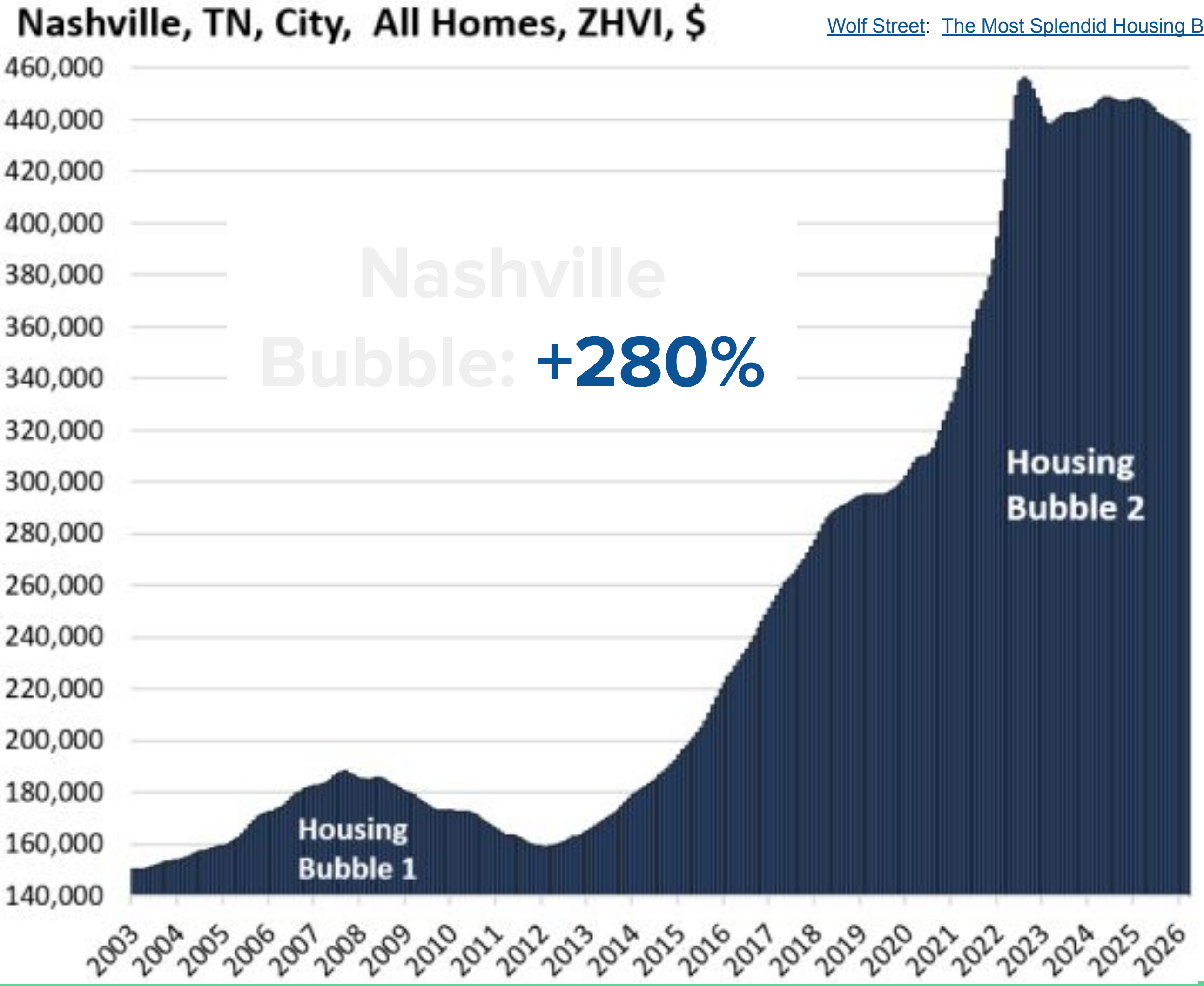

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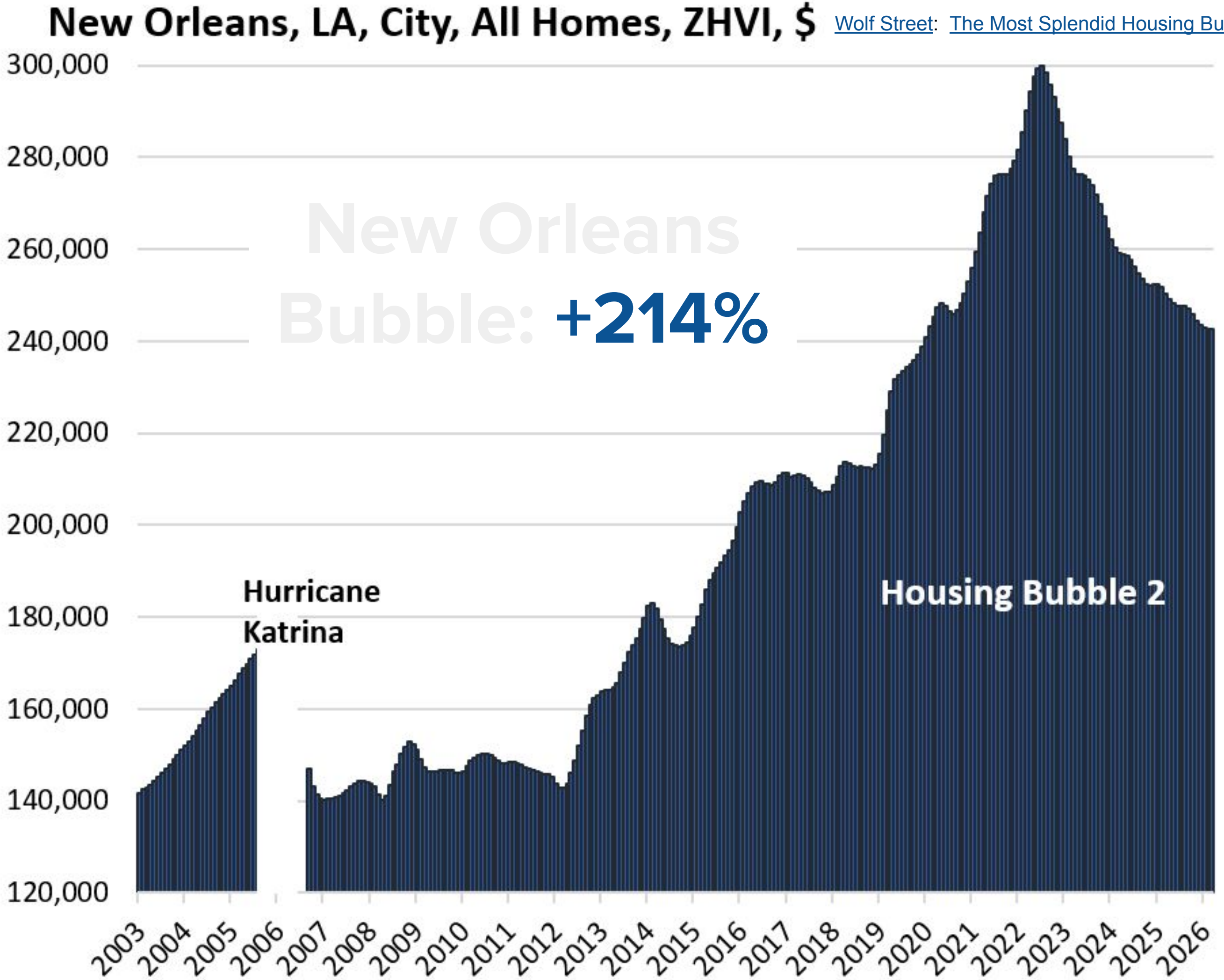

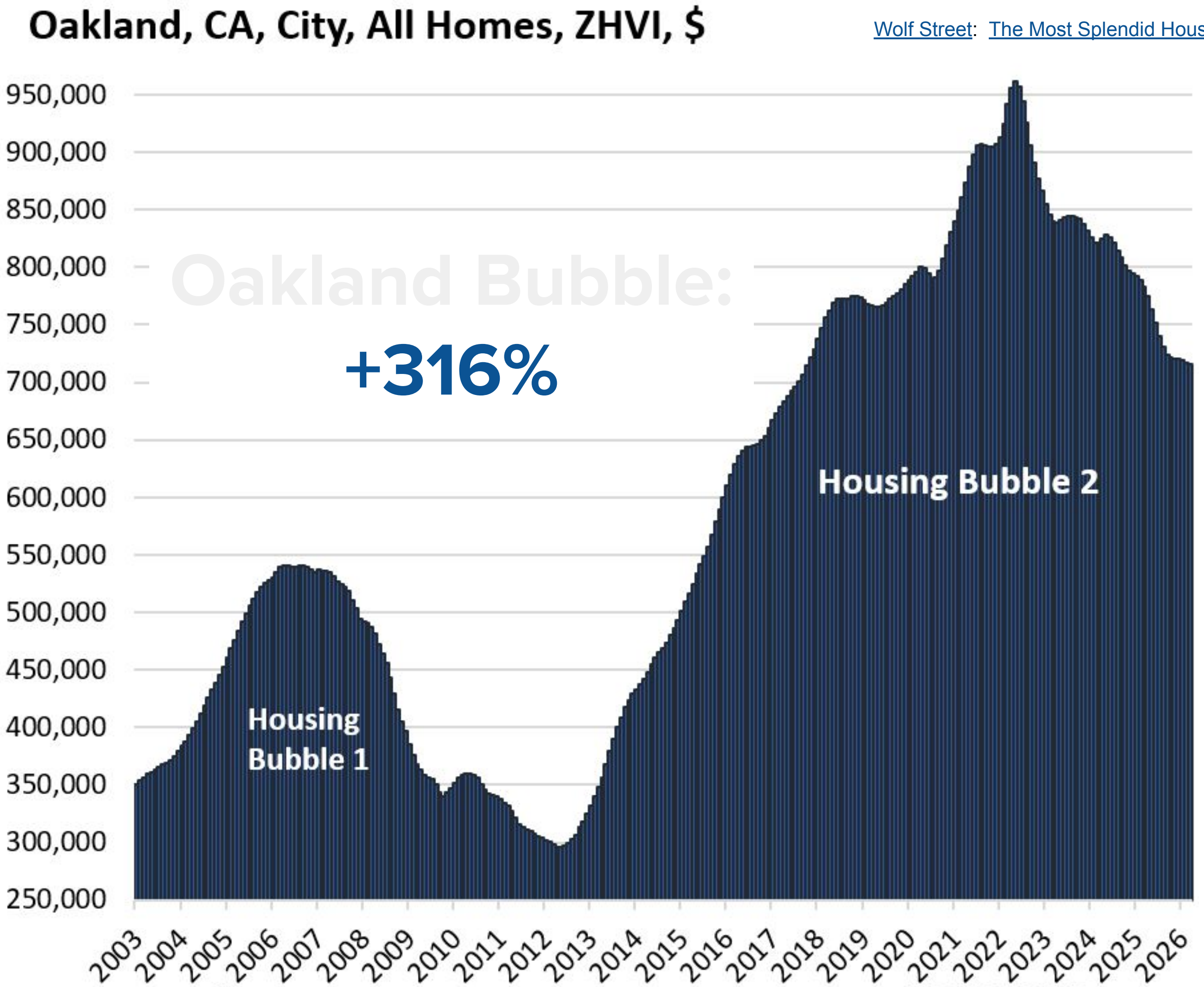
Oakland, CA, City, All Homes, ZHVI, $
Oakland Bubble:
+316%
Housing Bubble 1
Housing Bubble 2
950,000
900,000
850,000
800,000
750,000
700,000
650,000
600,000
550,000
500,000
450,000
400,000
350,000
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2026

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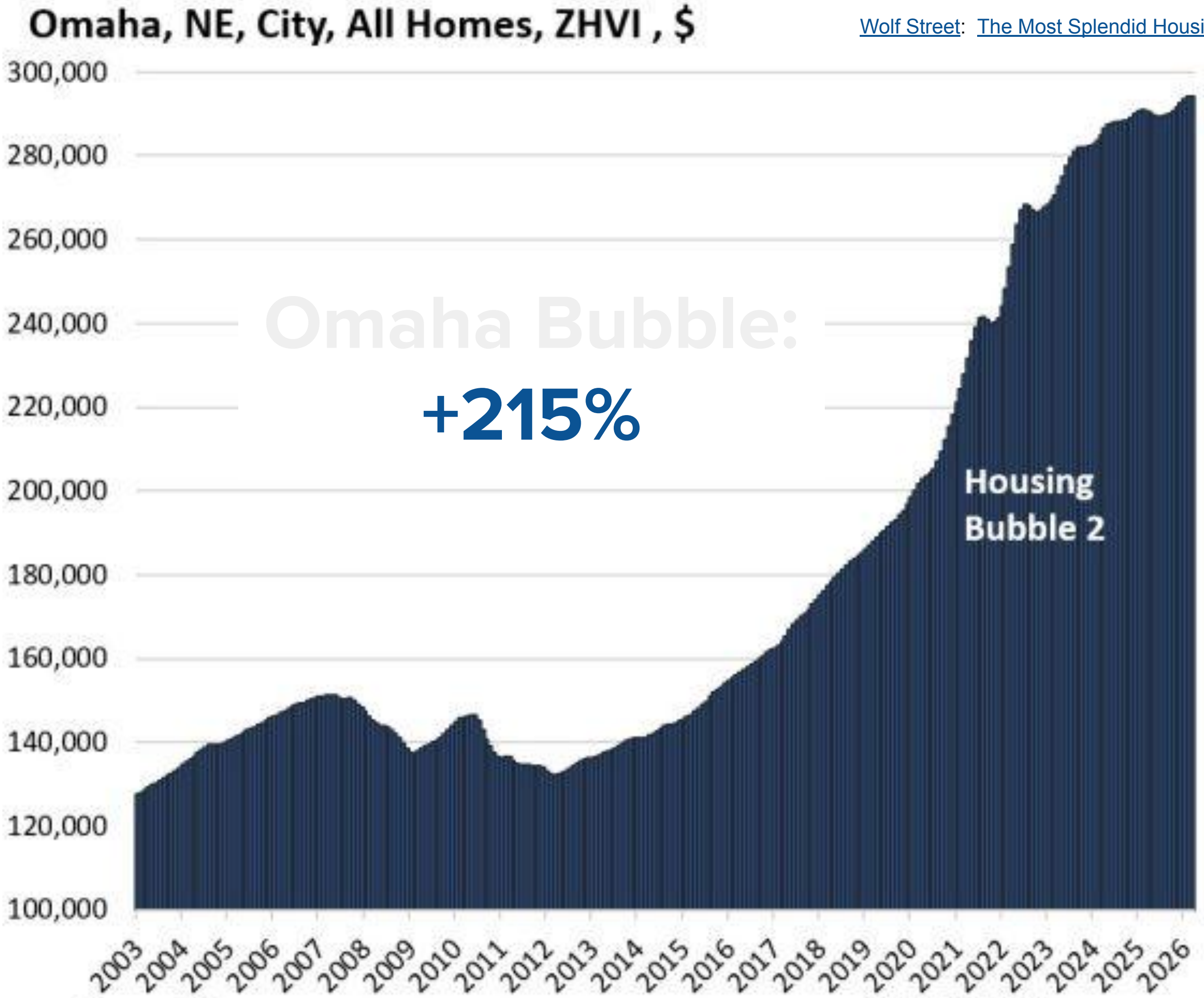

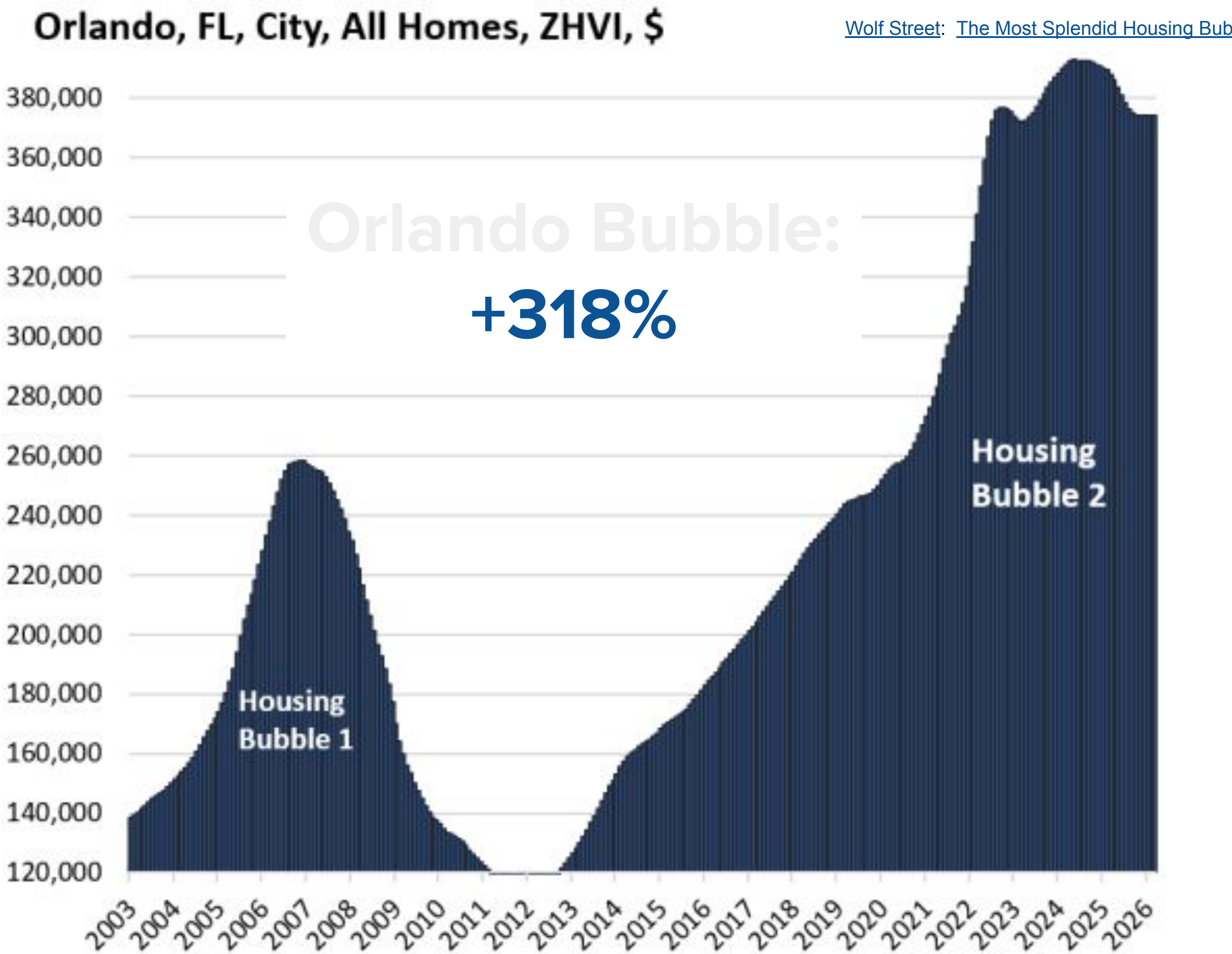
Orlando, FL, City, All Homes, ZHVI, $
Orlando Bubble:
+318%
Housing Bubble 1
Housing Bubble 2
380,000
360,000
340,000
320,000
300,000
280,000
260,000
240,000
220,000
200,000
180,000
160,000
140,000
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2026

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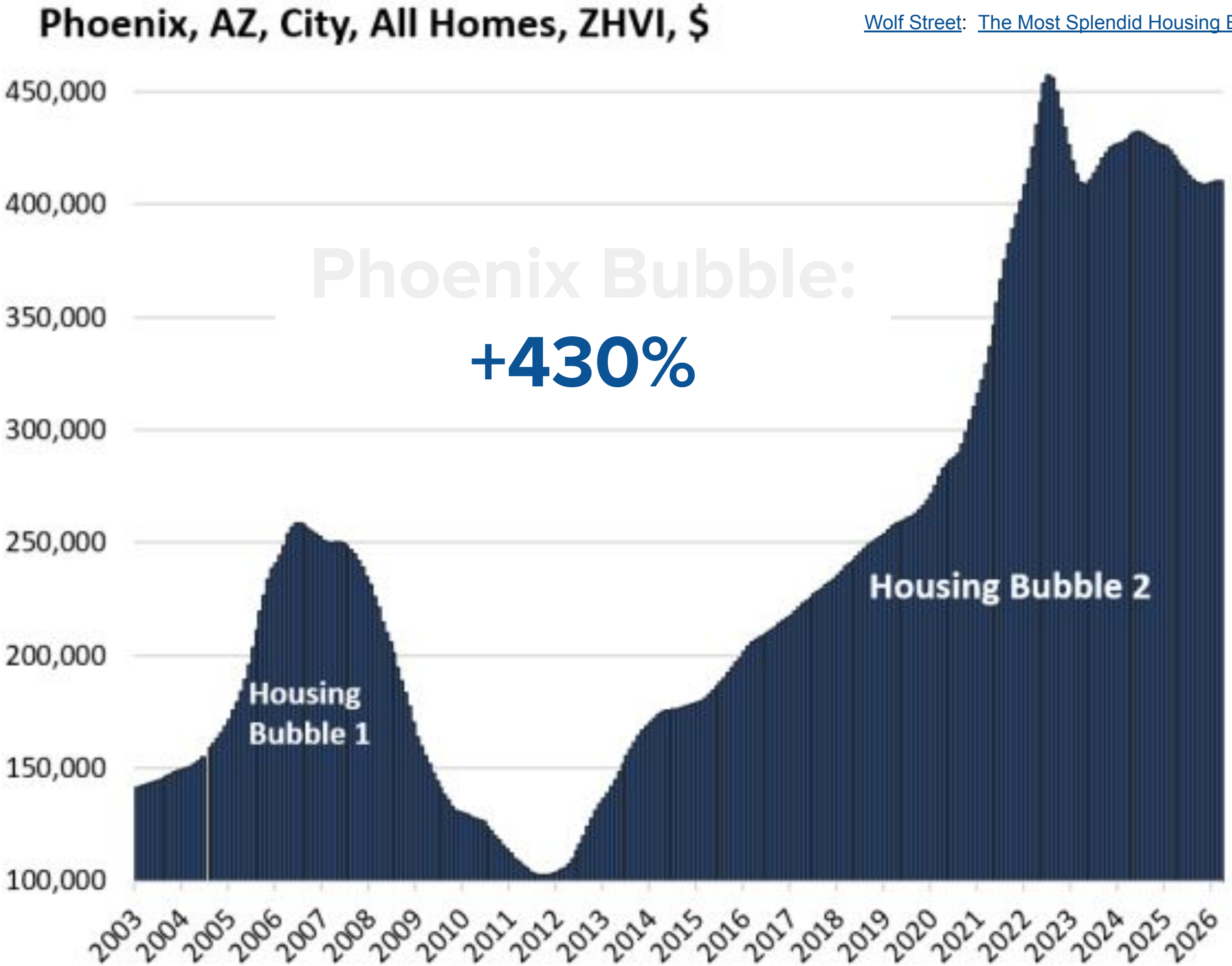

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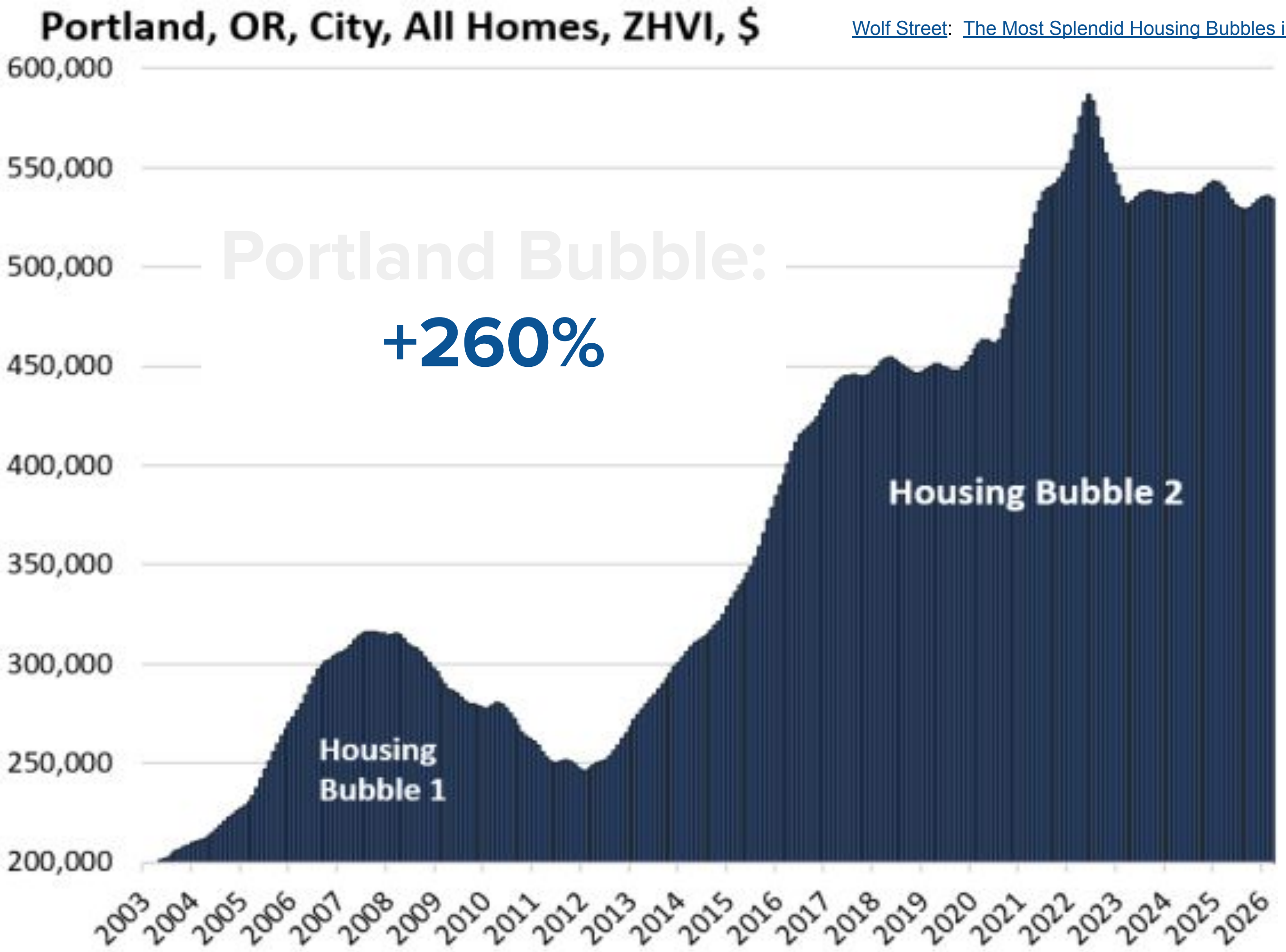

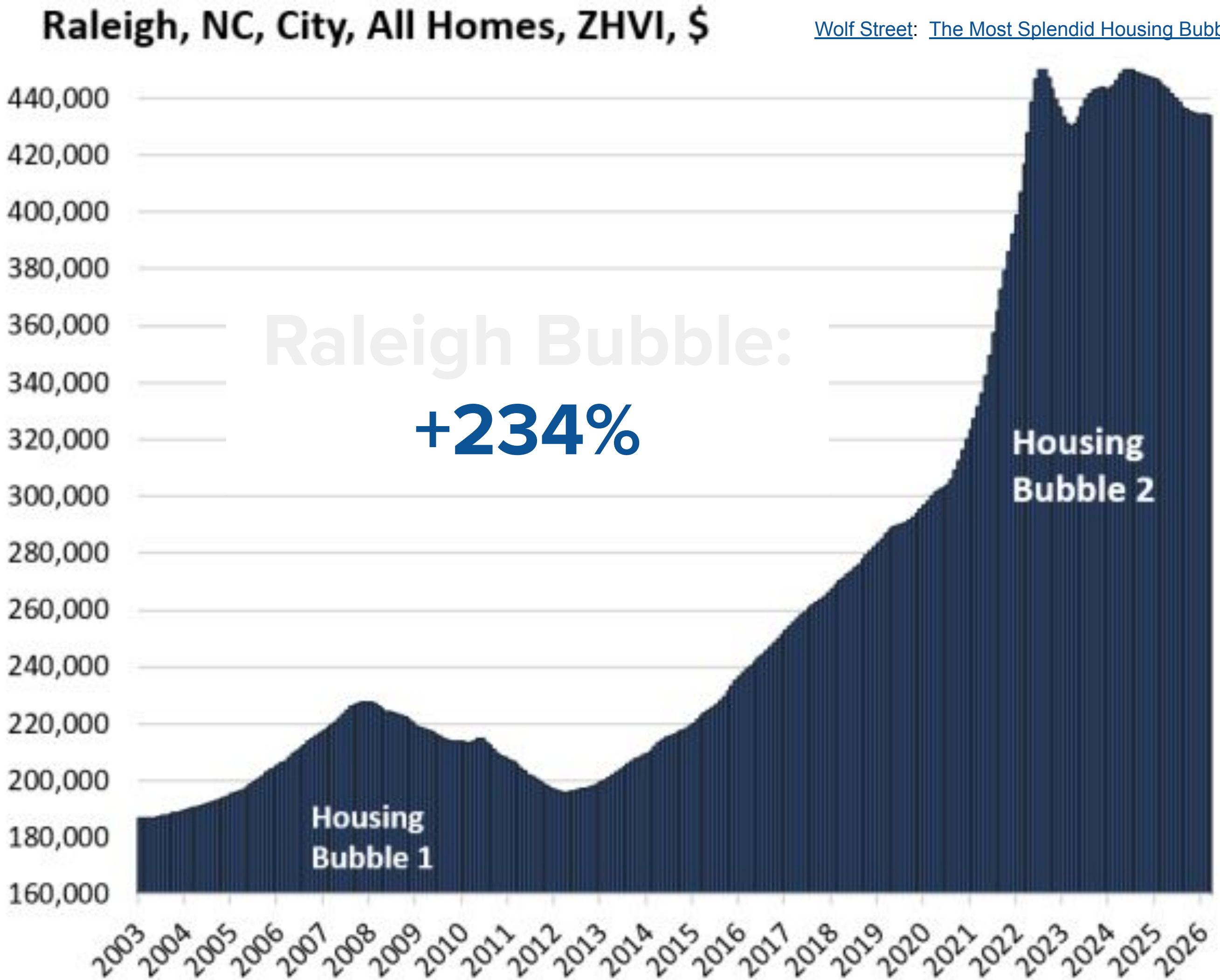
Raleigh, NC, City, All Homes, ZHVI, $
Raleigh Bubble:
+234%
Housing Bubble 1
Housing Bubble 2
440,000
420,000
400,000
380,000
360,000
340,000
320,000
300,000
280,000
260,000
240,000
220,000
200,000
180,000
160,000
2003
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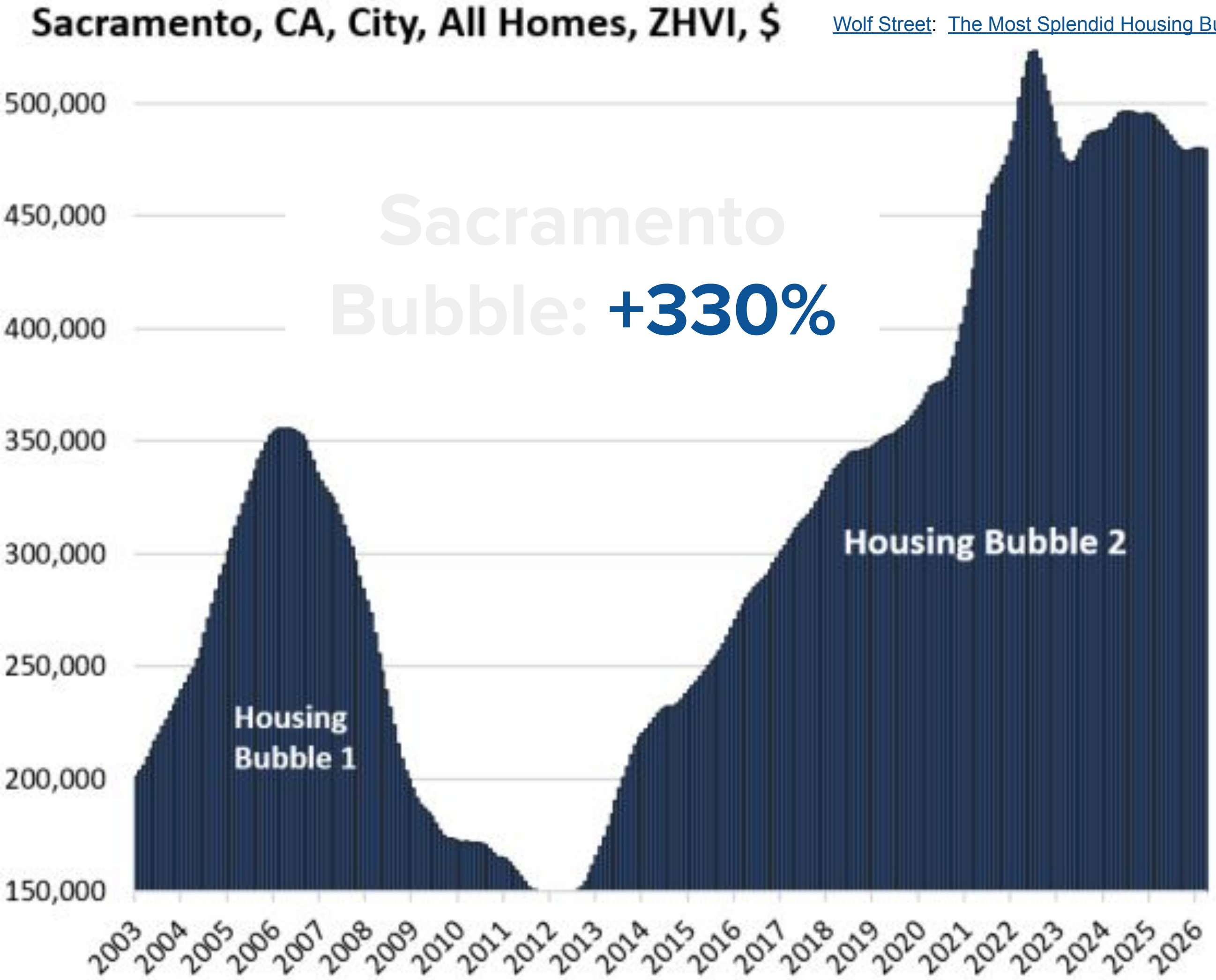

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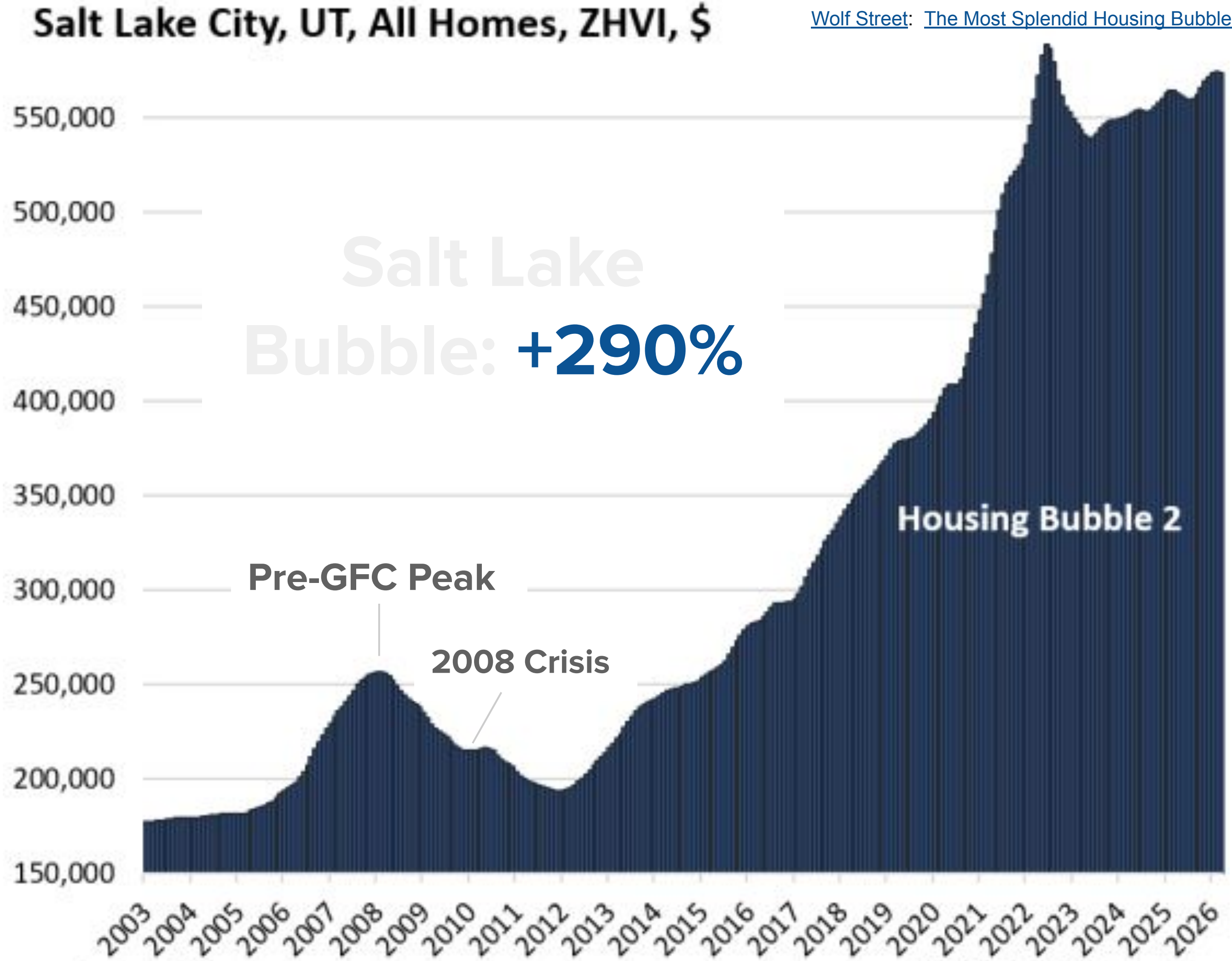

Tier 1 Cities

Tier 1 housing markets are highly valued compared to the average metropolitan area during the last 40 years (Example: San Francisco, CA).

Ironically, these markets display a comparatively modest price appreciation in Housing Bubble 2.0.

Boston, MA, City, All Homes, ZHVI, $

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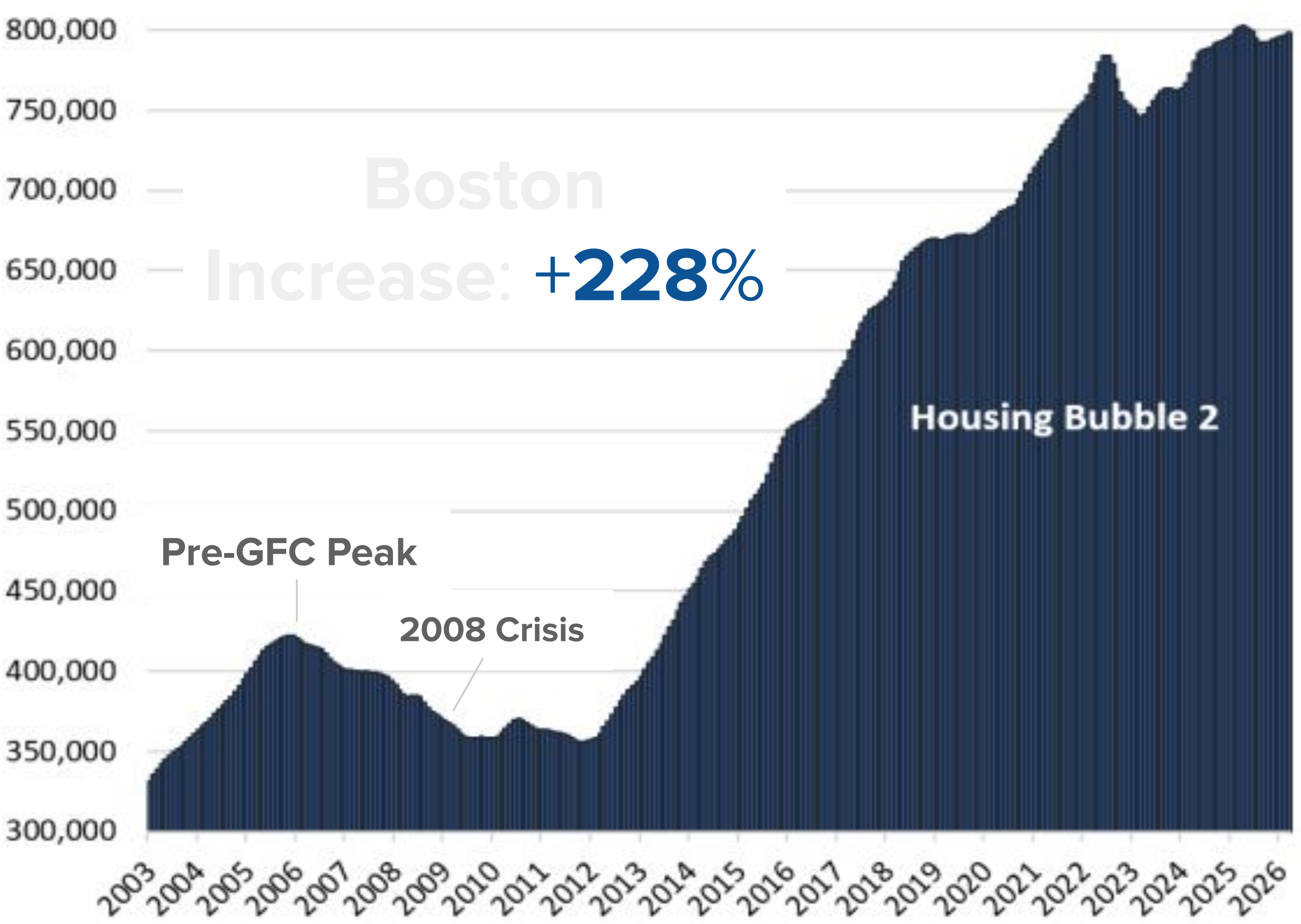

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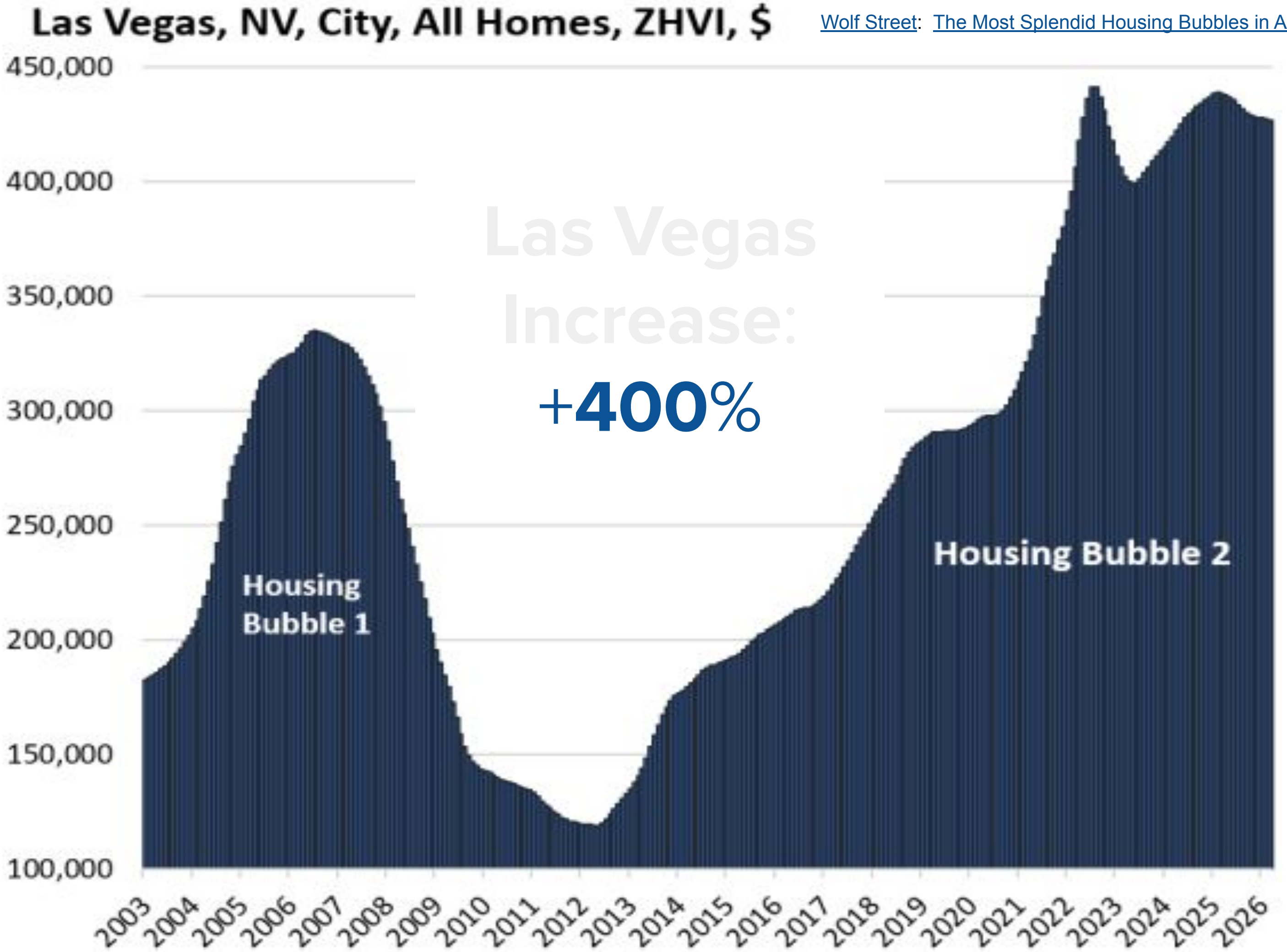

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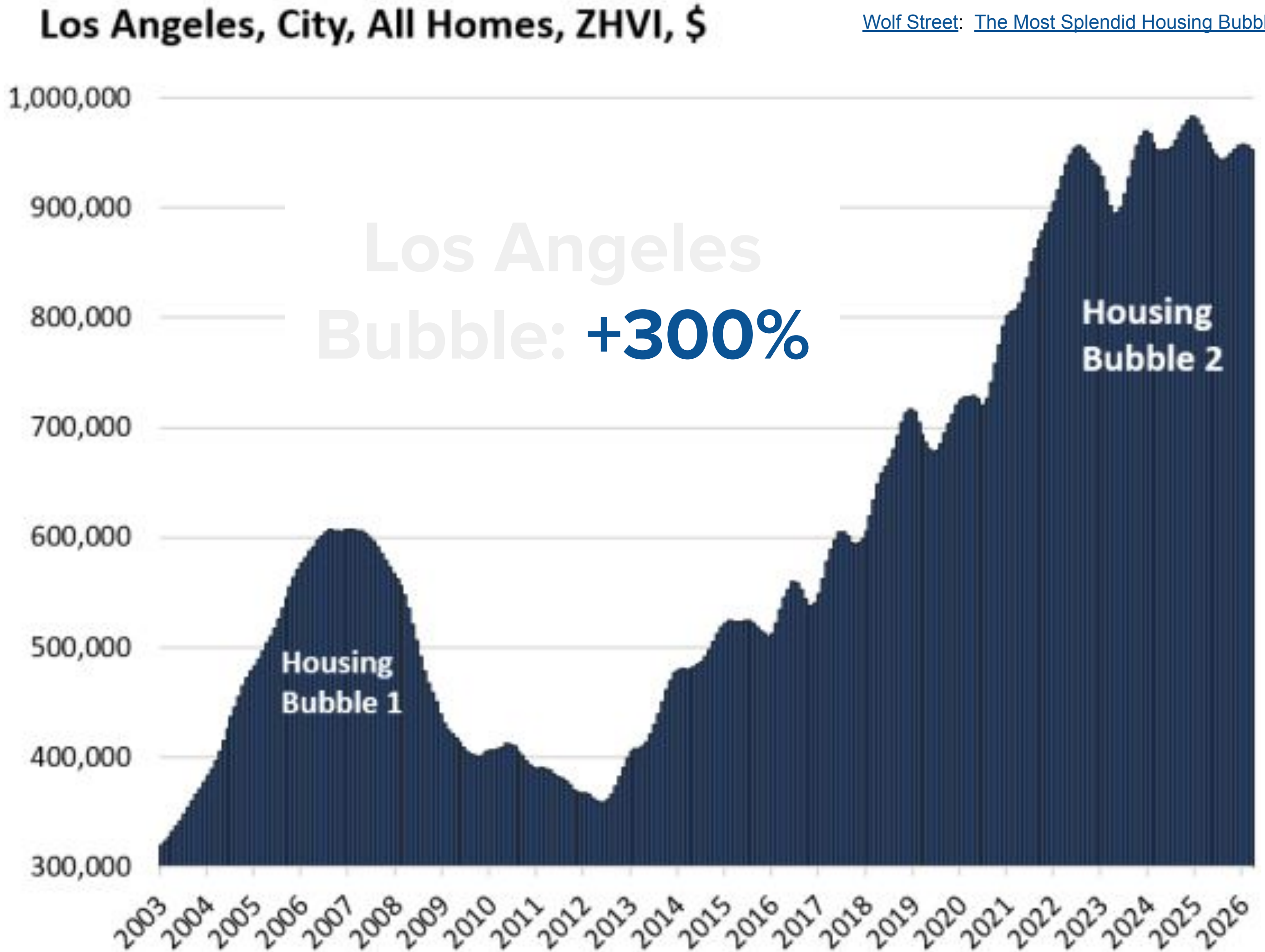

New York City, NY, All Homes, ZHVI, $

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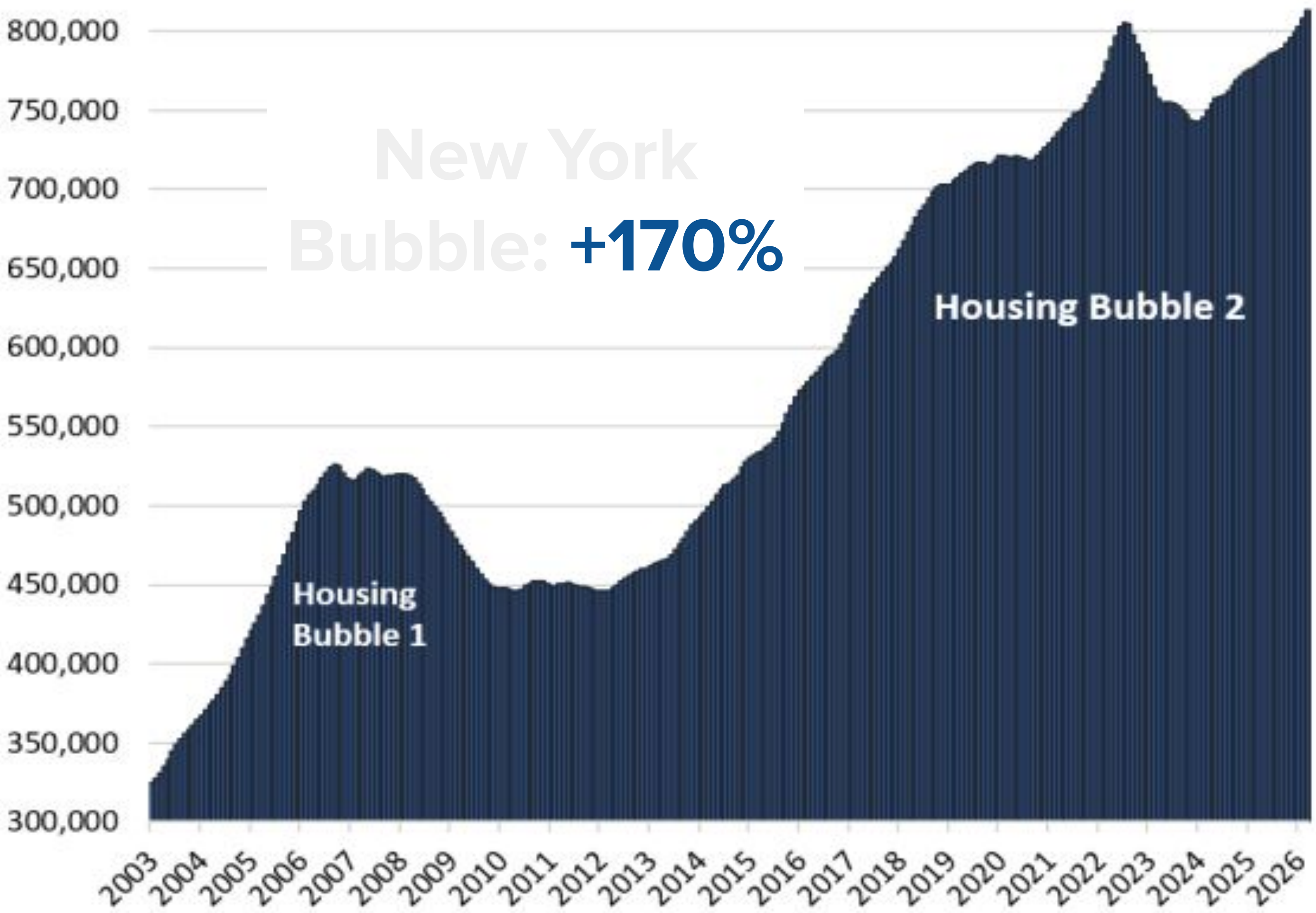

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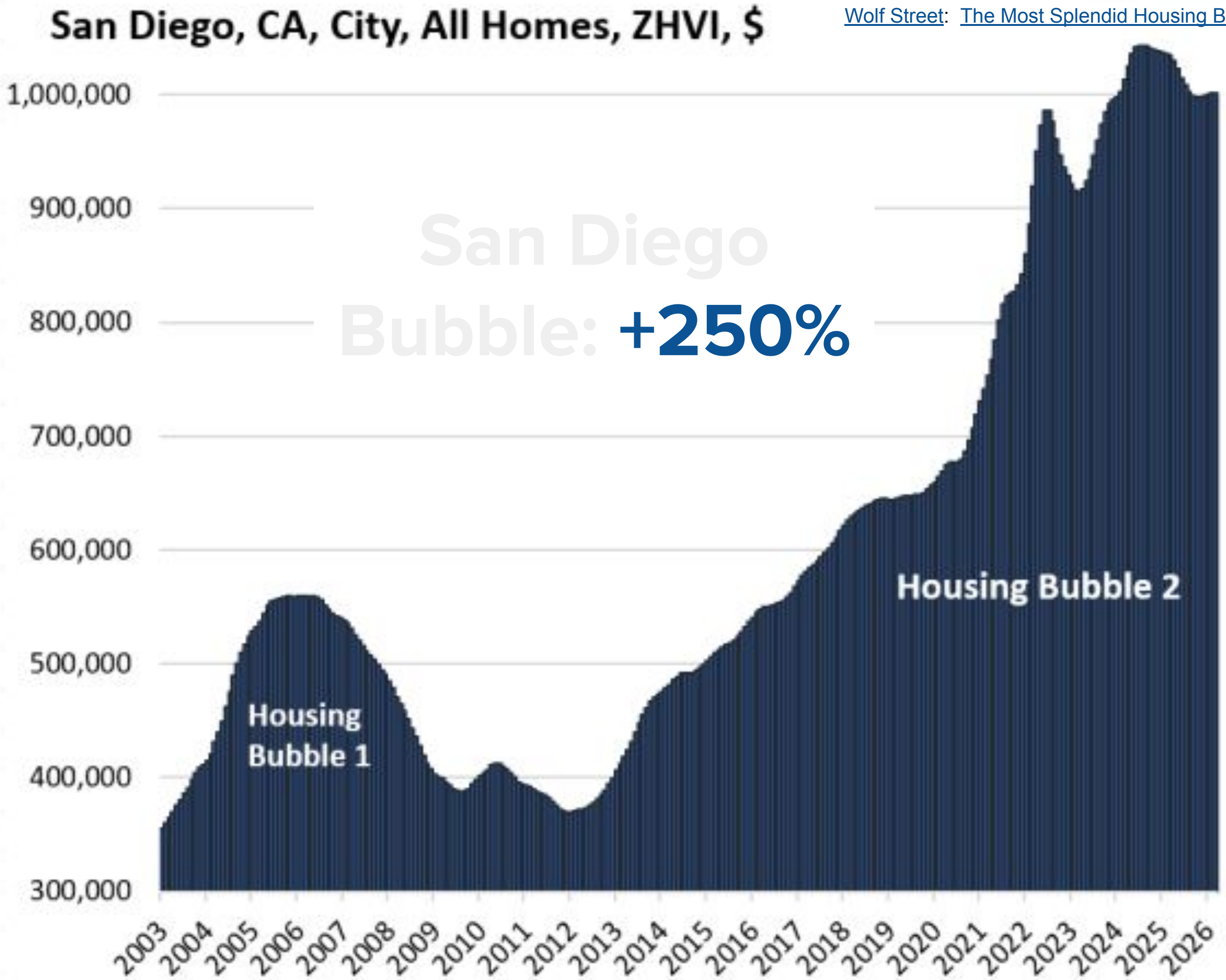

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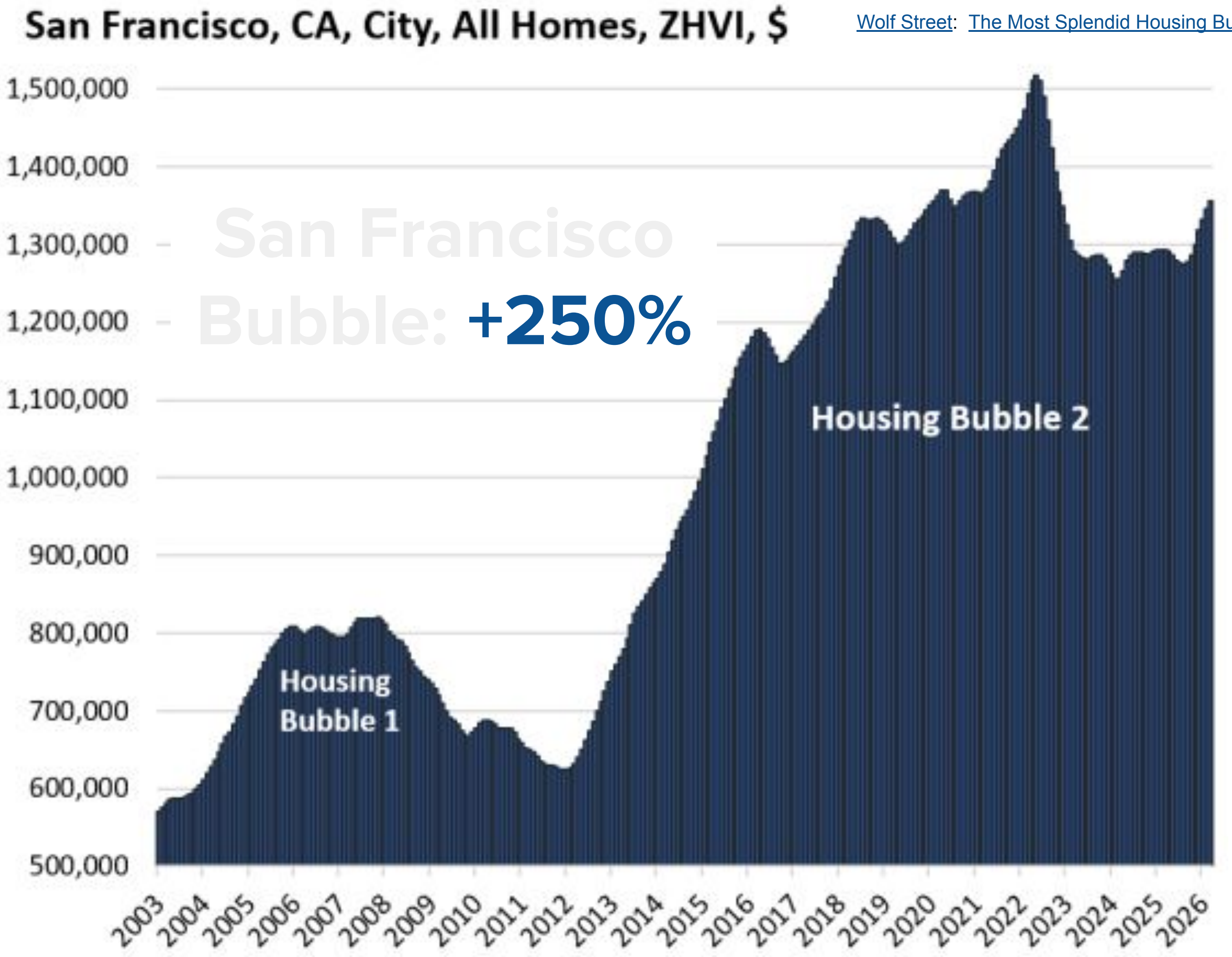

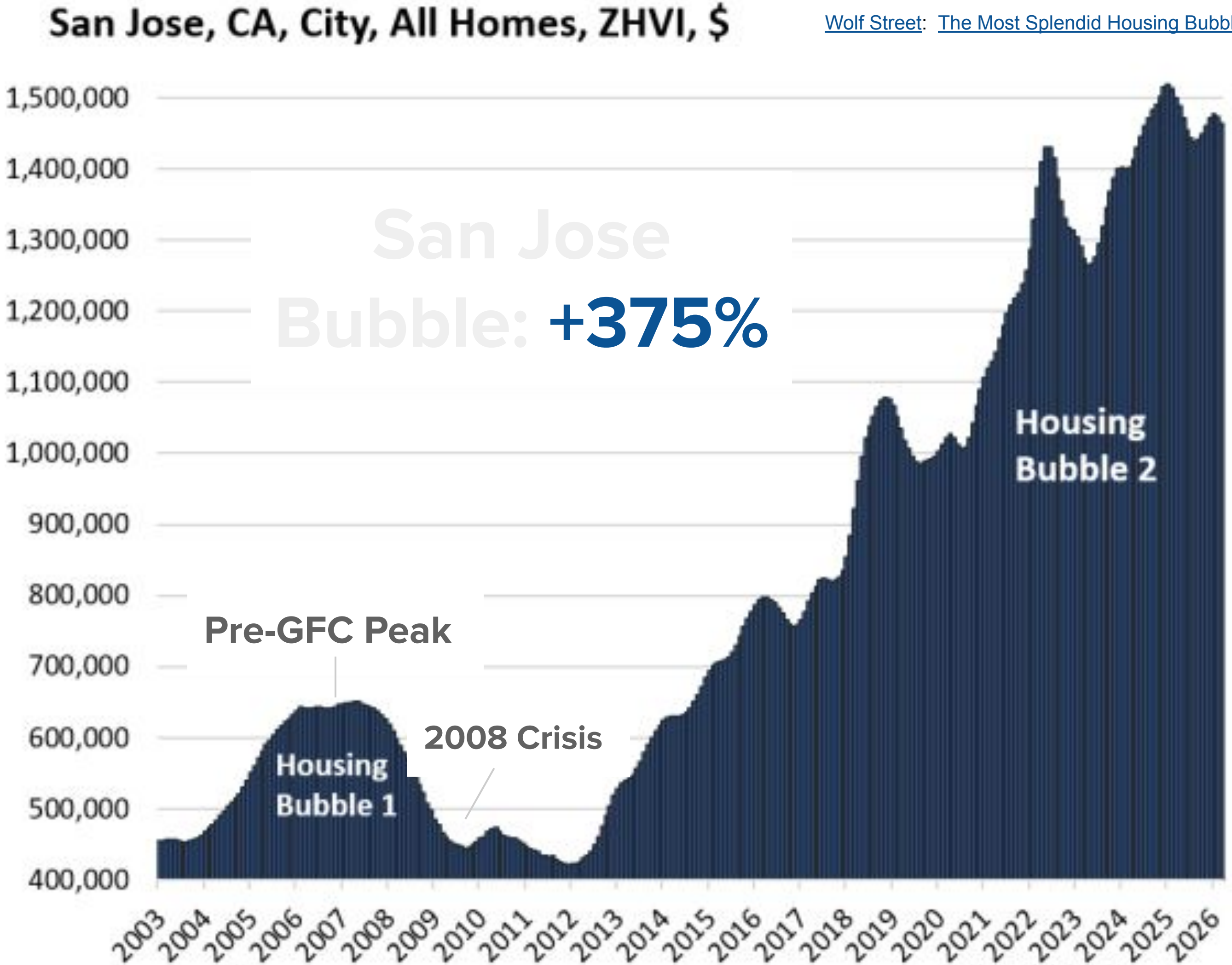
San Jose, CA, City, All Homes, ZHVI, $
San Jose Bubble: +375%
Pre-GFC Peak
2008 Crisis
Housing Bubble 1
Housing Bubble 2
1,500,000
1,400,000
1,300,000
1,200,000
1,100,000
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

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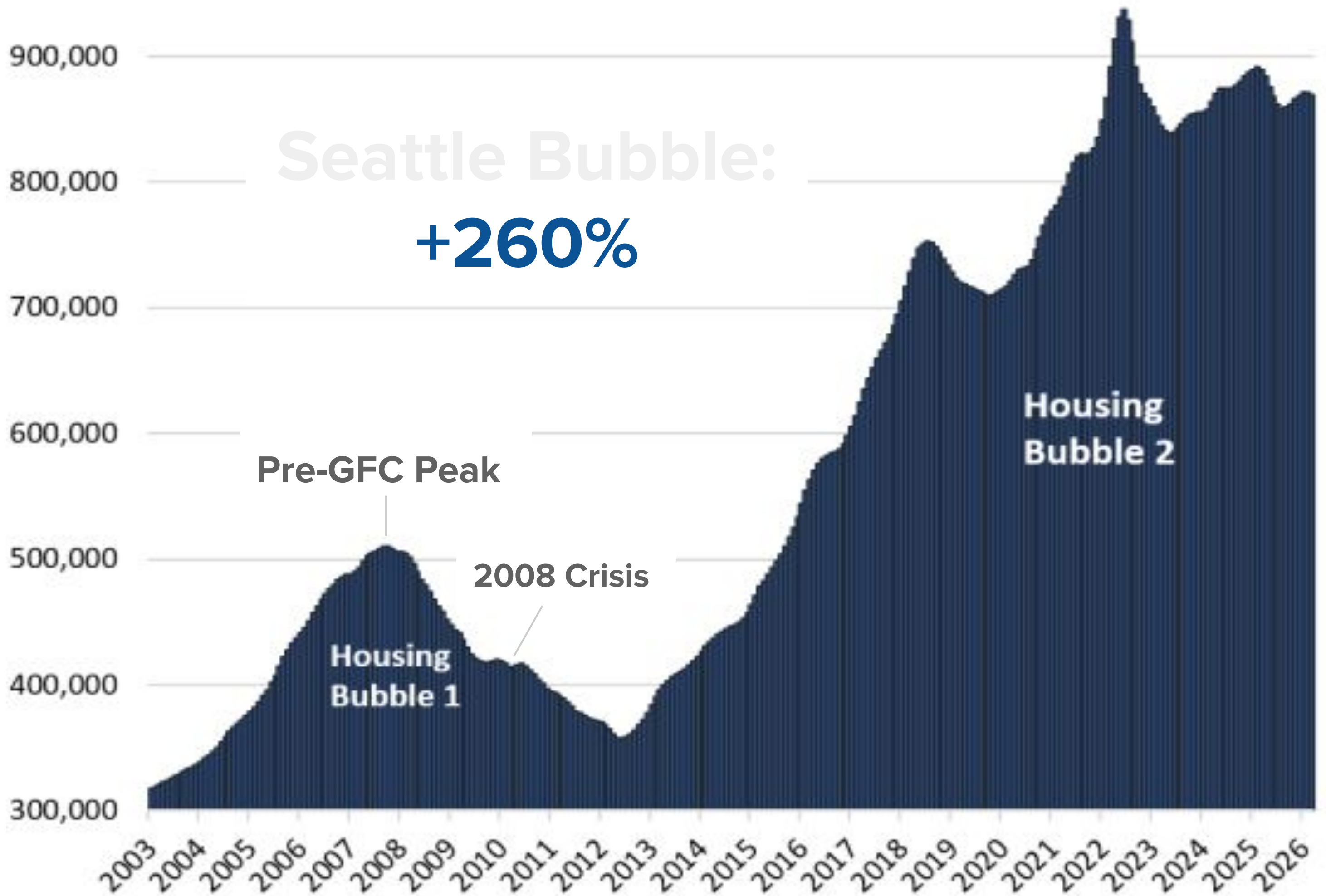
Seattle, WA, City, All Homes ZHVI, $



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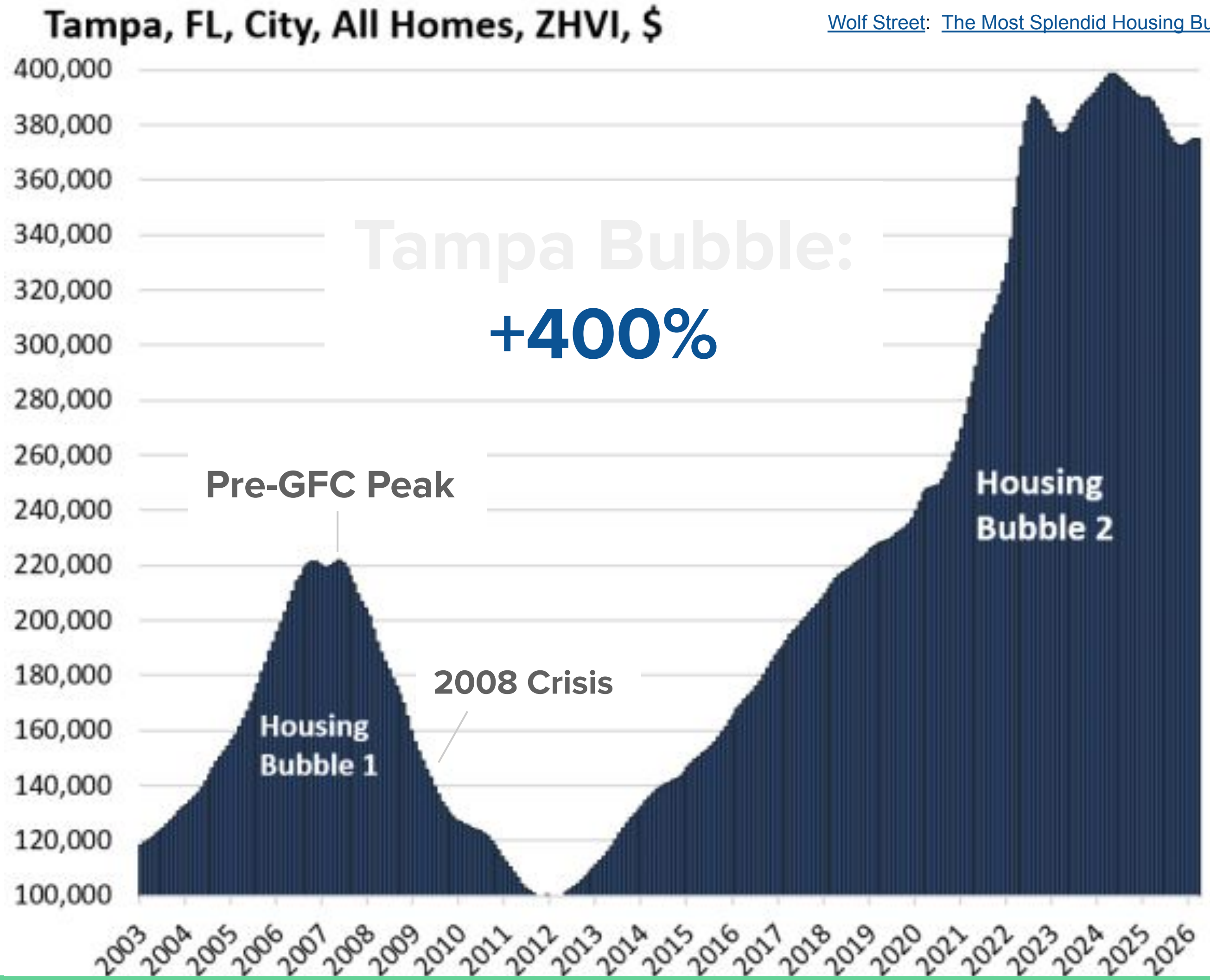

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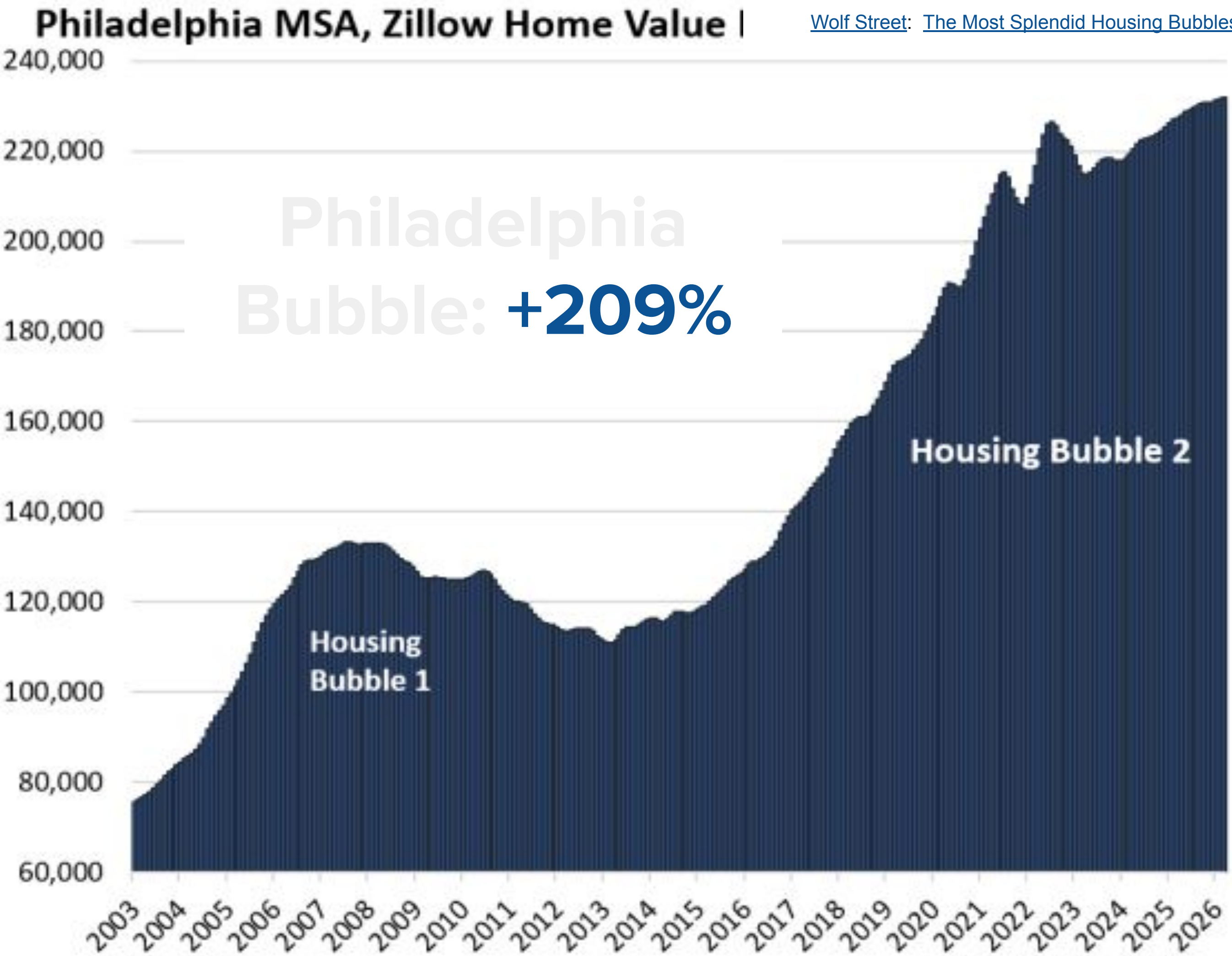

Washington, DC, City, All Homes, ZHVI, $

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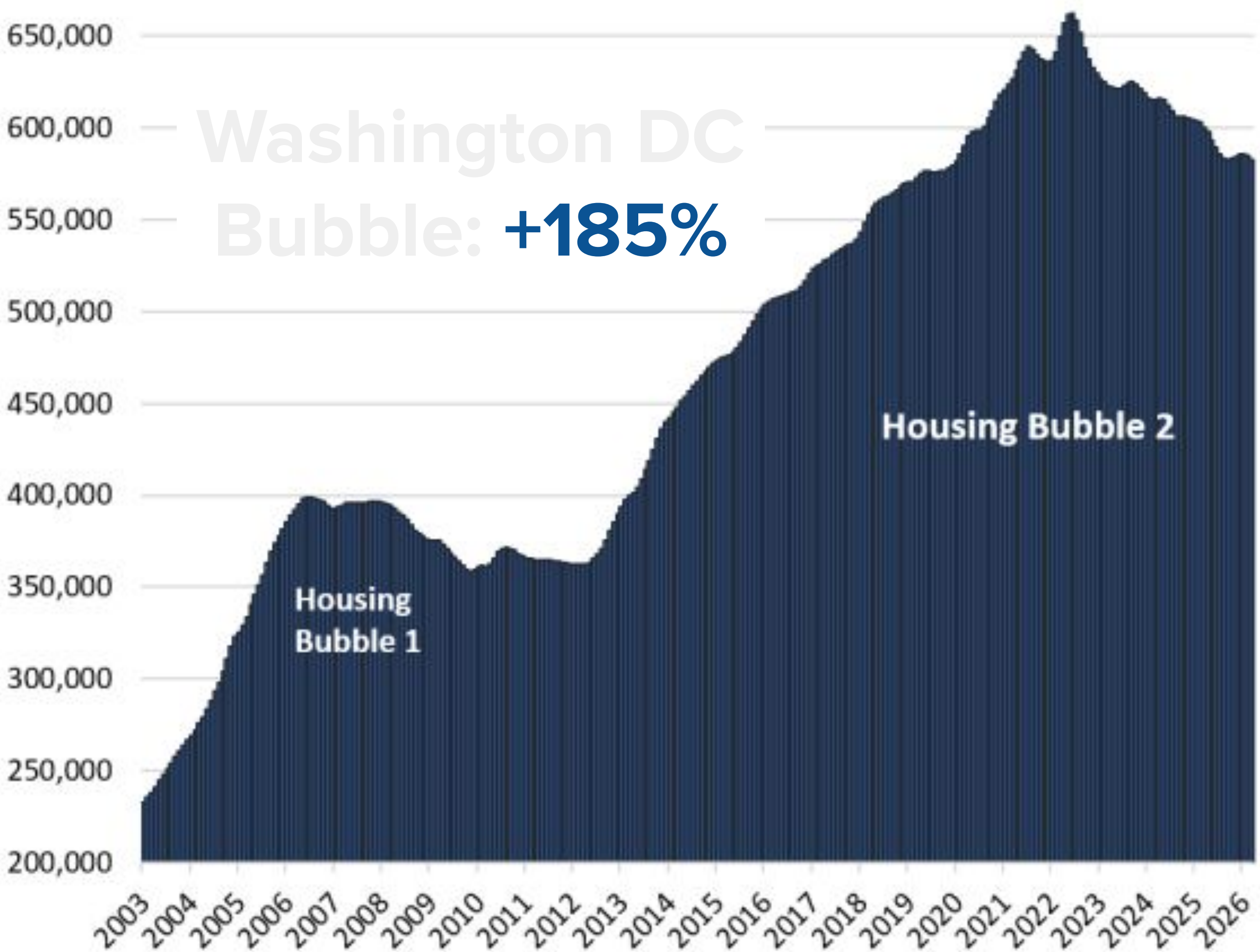

Closing Thoughts

Qualitative parallels to the GFC Crisis in 2008.

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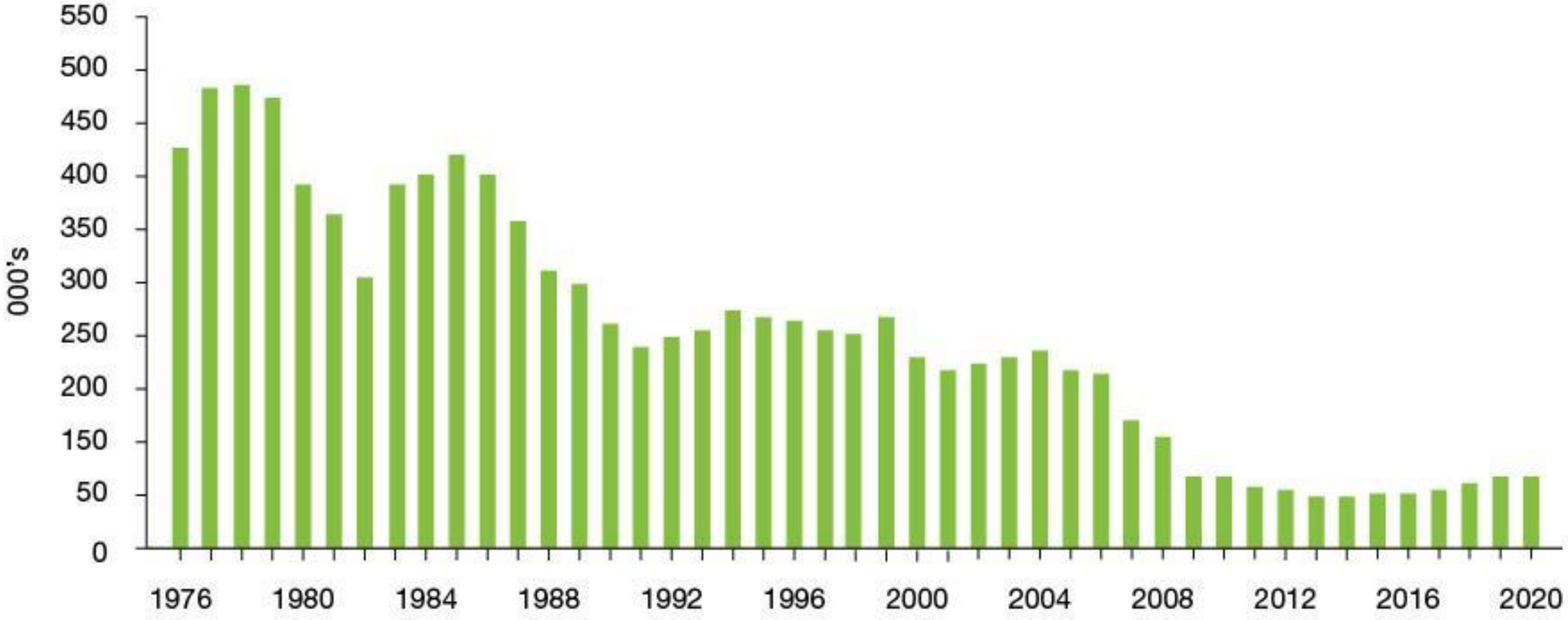
Closing Thoughts & Cautionary Note

- Surprising takeaway is that all metropolitan valuation bubbles presented *vastly exceed the 2008 housing bubble at the current time in 2026*.
- **2nd Order Effect**. High house prices are a probable contributor to the housing shortage in the United States (next slide).
- **Home Price vs. Income**. The trend in house prices compared to median incomes over the last 50 years is the clearest illustration of the severity of housing bubble 2.0.

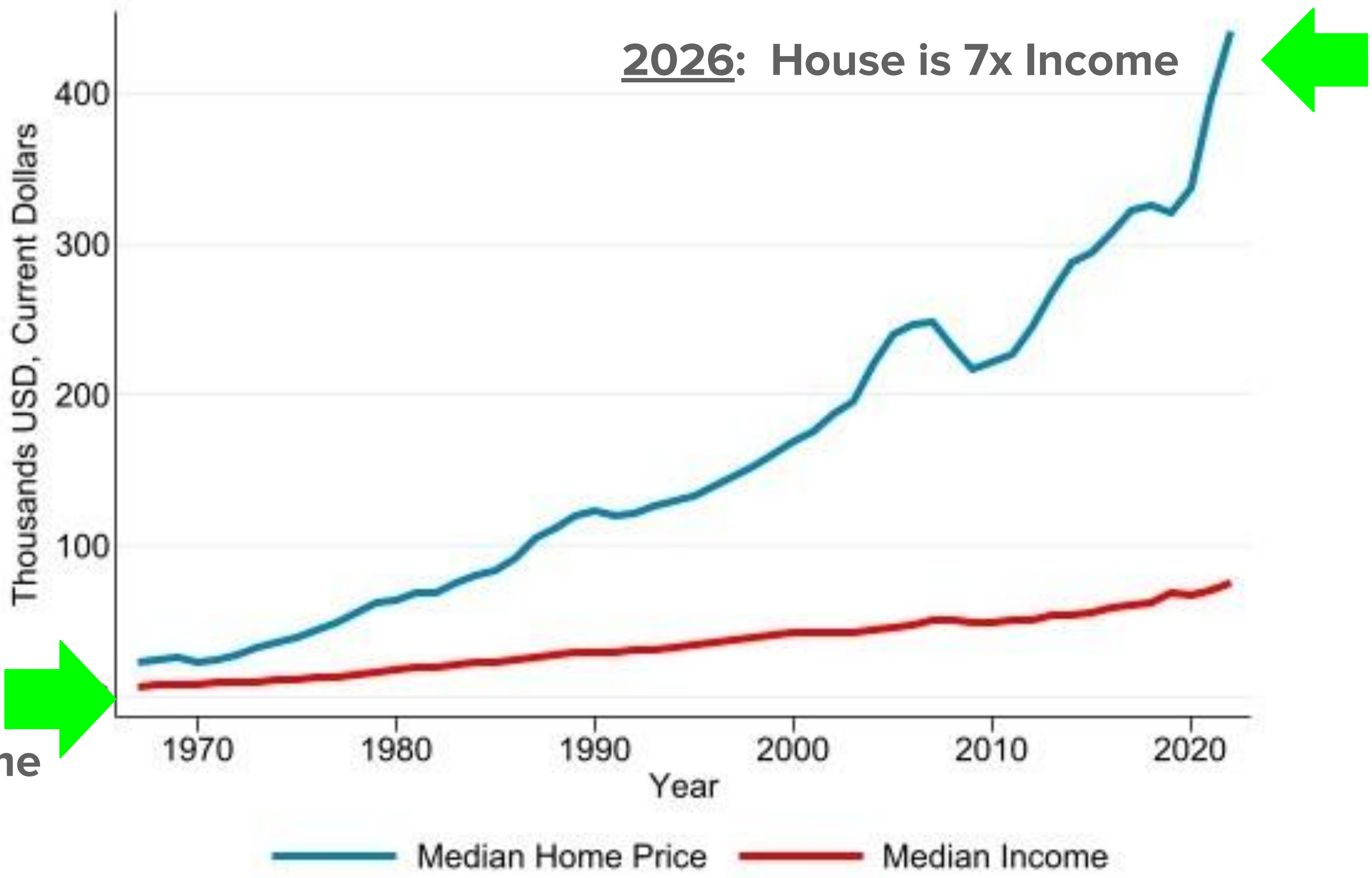
Number of new homes constructed below 1,400 square feet

Entry-Level home construction collapsed after the Great Recession and never recovered



Source: U.S. Census Bureau.

Home Prices vs. Income



1970:
House is 1.2x Income

END

PRESENTATION