One Man’s Opinion: Housing Headed South, Soon

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Article

Former Goldman Sachs executive and head of the firm’s housing research team, Joshua Pollard, believes that there will be a 15% decline in home prices over the next three years. He said so in a report he released on September 17, 2014. Mr. Pollard accompanied his report, entitled “Humbling Proof in High Probabilities: A Financial Imbalance,” with of a letter of warning to President Obama. Mr. Pollard sets forth three primary factors that will drive down home prices by 15% within three years: recent price appreciation outpacing income, the impact rising interest rates will have on already overvalued home prices and the inevitable slowdown in investor purchases of single family homes, causing demand to become out of balance with supply. Mr. Pollard states, "As an economist, statistician and housing expert, I am lamentably confident that home prices will fall by 15% within three years. Overvalued homes make up $23 trillion of consumer asset value and serve as the psychological linchpin for $17 trillion of invested capital." Joshua Pollard submits, "Home price devaluation will expose a major financial imbalance that could lower an entire generation's esteem for the American dream." He predicts that the decline will occur in three phases, one of which it is said to be already underway.

The Report appears to be carefully prepared, with numerous data tables and graphs pointing in a negative direction for the housing market. Whether this report becomes a rallying cry for policymakers or just another prognostication on the state of the housing economy remains to be seen.

The report may be accessed at http://www.joshuapollard.info