

Why falling home prices could be a good thing

By Conor Dougherty, New York Times

Suppose there were a way to pump up the economy, reduce inequality and put an end to destructive housing bubbles like the one that contributed to the Great Recession. The idea would be simple, but not easy, requiring a wholesale reframing of the United States economy and housing market.

The solution: Americans, together and all at once, would have to stop thinking about their homes as an investment.

The virtues of homeownership are so ingrained in the American psyche that we often forget that housing is also a source of economic stress. Rising milk prices are regarded as a household tragedy for some, and spiking gas prices stoke national outrage. But whenever home prices go up, it's "a recovery," even though that recovery also means millions of people can no longer afford to buy.

Read the whole story