

Affordability in the for-sale market is under strain.

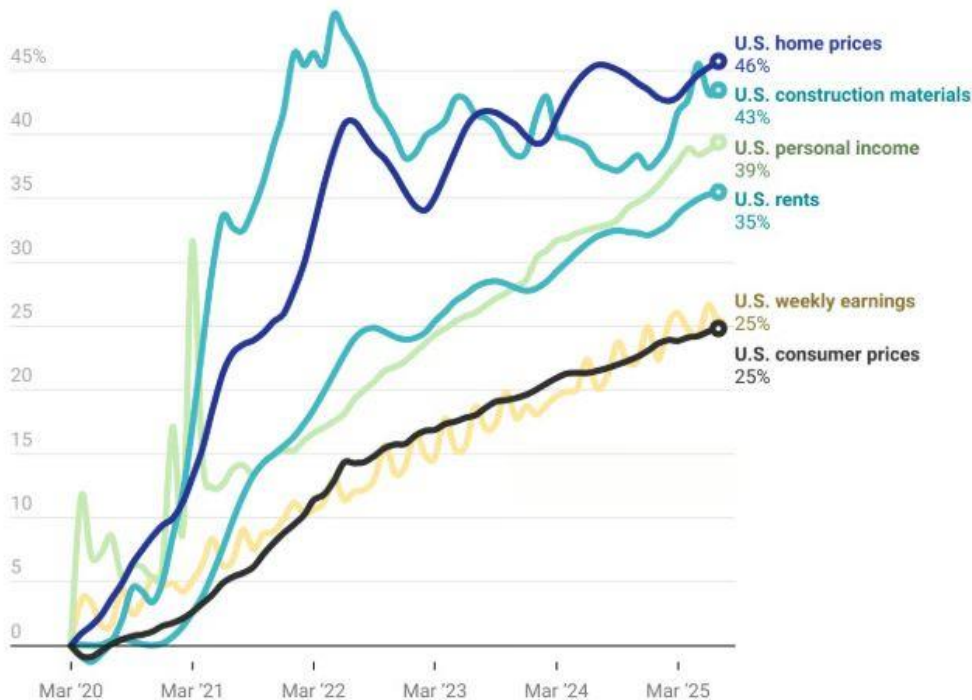
At the end of July 2025, overall U.S. **consumer prices were +25% higher** than in March 2020, and U.S. weekly earnings had risen by the same amount.

Yet even with the Pandemic Housing Boom now three years behind us, housing-related inflation, generally speaking, remains well above that broader inflationary surge. At the end of July 2025, **U.S. home prices**, measured by the Zillow Home Value Index, were **+46% above March 2020 levels**, while aggregate construction material prices were up +43%.

On one hand, some in the housing sector might cheer the fact that national home prices have remained relatively stable despite the historic interest rate shock of 2022. On the other hand, **total housing inflation since March 2020 is still well above overall consumer price and weekly earnings growth**—and when combined with today's much higher mortgage rates, **affordability in the for-sale market is under strain**.

Shift since March 2020

Through July 2025 data published in August 2025



U.S. home prices = Shift in the Zillow Home Value Index (without seasonal adjustment). U.S. construction material prices = Shift in the U.S. Bureau of Labor Statistics' "Producer Price Index by Commodity: Special Indexes: Construction Materials" U.S. personal income = Personal Income (PI), as reported by the U.S. Bureau of Economic Analysis (BEA), includes all U.S. income (wages, business income, rental income, dividend income, government social benefits like Social Security) by individuals from various sources before taxes are deducted. U.S. rents = Shift in the Zillow Observed Rent Index. U.S. weekly earnings = Shift in "Average Weekly Earnings of All Employees, Total Private." U.S. consumer prices = Shift in the "Consumer Price Index for All Urban Consumers."

Chart: Lance Lambert • Source: ResiClub research pulling from the U.S. Bureau of Economic Analysis, Zillow, and U.S. Bureau of Labor Statistics • Created with Datawrapper

