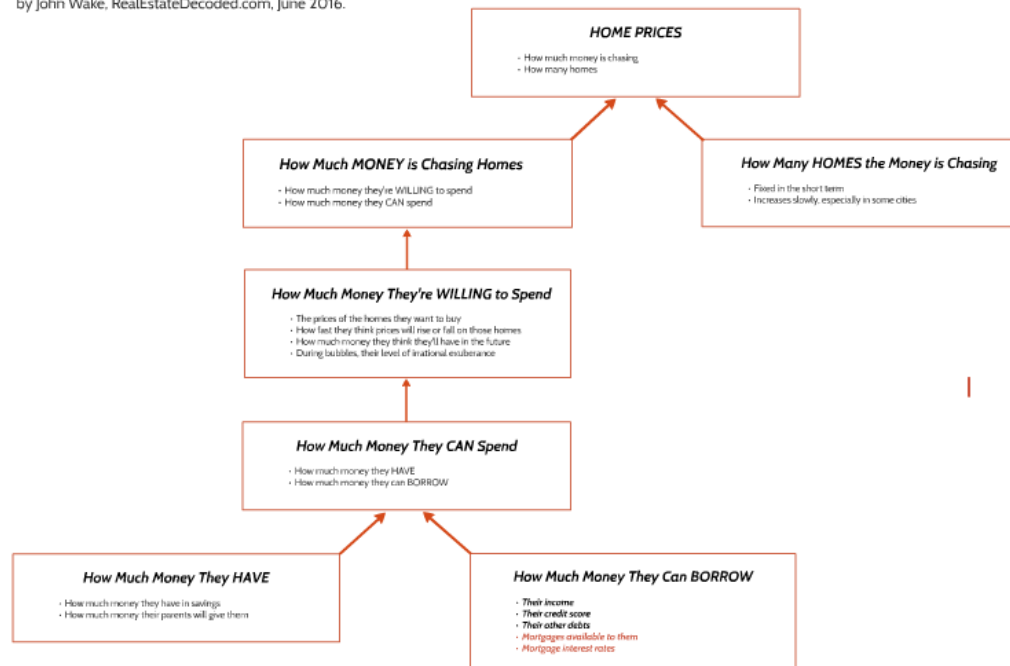


# Money Chasing Homes

## *The Great Real Estate Bubble Explained*

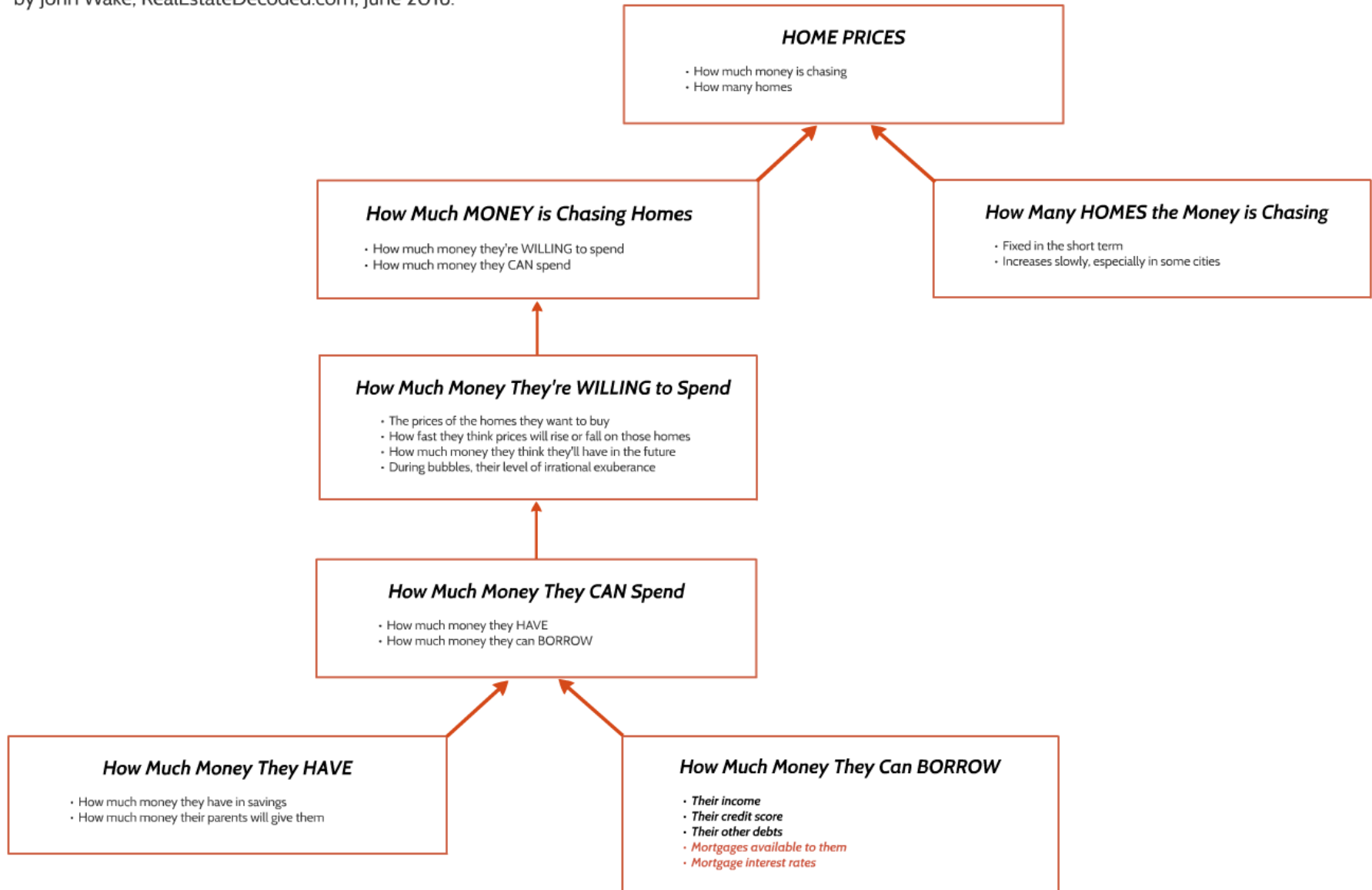
by John Wake, RealEstateDecoded.com, June 2016.



# Money Chasing Homes

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# omes

## ***HOME PRICES***

- How much money is chasing
- How many homes

### ***Chasing Homes***

### ***How Many HOM***

- Fixed in the short term
- Increases slowly, espec

**PRICES**

## ***How Many HOMES the Money is Chasing***

- Fixed in the short term
- Increases slowly, especially in some cities

# **HOMES**

- How much money is chasing
- How many homes

## ***How Much MONEY is Chasing Homes***

- How much money they're WILLING to spend
- How much money they CAN spend

## ***How Much Money They're WILLING to Spend***

- The prices of the homes they want to buy
- How fast they think prices will rise or fall on those homes
- How much money they think they'll have in the future

- The prices of the homes they want to buy
- How fast they think prices will rise or fall on those homes
- How much money they think they'll have in the future
- During bubbles, their level of irrational exuberance

## ***How Much Money They CAN Spend***

- How much money they HAVE
- How much money they can BORROW

***y They HAVE***

savings  
will give them

***How Much Money***

- ***Their income***
- ***Their credit score***
- ***Their other debts***

**They CAN Spend**

BORROW

## ***How Much Money They Can BORROW***

- *Their income*
- *Their credit score*
- *Their other debts*
- *Mortgages available to them*
- *Mortgage interest rates*

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