### Will the Housing Bubble Burst in 2018?

#### 3 Signs of a Brewing Financial Crisis

1. **Inflated home prices**
   - Home prices in 28 states have exceeded their pre-crisis peaks.
   - 2017 – 2021: Home values will rise by 17.9%.

2. **Soaring debt levels**
   - **Mortgage debt:** $9 trillion
   - **Student loan debt:** $1.3 trillion
   - **Credit card debt:** $764 billion

3. **High-risk lending**
   - Repeal of Dodd-Frank Act allows banks to make riskier investments.
   - 2017: 9% of mortgages issued to borrowers with subprime credit scores.
   - 2017: The credit score cutoff for subprime loans dropped from 660 to 620.

### What’s the probability of a recession?

- **2018: <10%**
- **Next 5 years: 70%**

### Will the housing bubble burst?

- 58% of adults believe it will happen in the next 2 years.

### Biggest Housing Bubbles

- Home prices in these markets have surpassed their peak from the last housing bubble.
  - **Seattle:** +20%
  - **Denver:** +43%
  - **San Francisco:** +4%
  - **New York City:** +19%
  - **Atlanta:** +3%
  - **Dallas:** +42%
  - **Portland:** +20%
  - **Boston:** +10%
  - **Los Angeles:** +3%