



The above graph represents the supply increase, shifted to the right, being seen within the housing market. The article states “active listings rose in July at a record annual pace — up 30.7% — for the third month in a row,” as well as “our July data shows elevated mortgage rates left many buyers tightening their budgets and sellers responding with price reductions, while home shoppers who kept searching saw more available options.” This can be compared to the *R* in Rotten, *Resource*. As more houses became available, due to “softening buying interest,” the supply increased. This increase in supply pushes down the equilibrium price, as well as increases the equilibrium quantity.

Source:

Richardson, Brenda. “Housing Inventory Picks up Speed at a Record Pace.” *Forbes*, 10 Aug. 2022, www.forbes.com/sites/brendarichardson/2022/08/09/housing-inventory-picks-up-speed-at-a-record-pace.