Brick Stone Economy Forecast

Brick Stone International | Real estate cycle planning | Historical snapshot through July 2026

2028, 2033, 2052 and 2057 are ASSUMED turning years - planning hypotheses, not established forecasts.

● GREEN: BUY ONLY IF

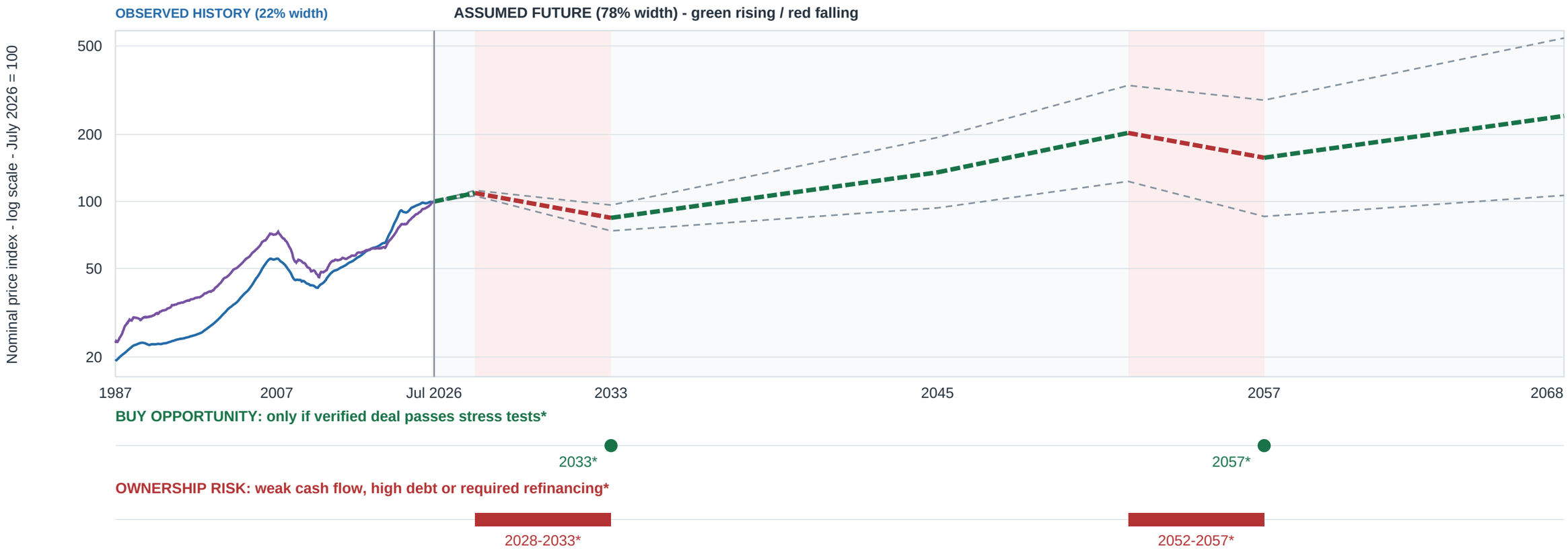
Verified cash flow and downside case work after management, repairs and reserves, without appreciation.

● RED: OWNERSHIP RISK

Weak cash flow, heavy debt, major repairs or a maturity requiring refinancing to survive.

● GREEN: REFINANCE ONLY IF

Terms improve your position after fees. Check equity and cash flow. Cash-out is new debt, not profit.



● 1 Recovery

Vacancy improves; demand stabilizes.
Selective buying; credit may be tight.

● 2 Expansion

Rents and occupancy strengthen.
Selective buys and refinance review.

● 3 Hypersupply

Supply exceeds demand; rents slow.
Protect reserves; avoid excessive debt.

● 4 Recession

Collections, occupancy and values weaken.
Owners under pressure; funded buyers may find deals.

***Future timing is assumed. A downturn can be a buying opportunity and an ownership risk at the same time.**

Blue = U.S. history; purple = Chicago metro; gray dashed = upside/downside. Time scale changes in July 2026.

Sources: fred.stlouisfed.org/series/CSUSHPISA and /CHXRSA | Seasonally adjusted home prices, Jan 1987-Jul 2026; revisions possible.

Reviewed October 11, 2026 | Print: Legal (8.5 x 14 in), landscape, actual size / 100%

Upturn and downturn returns: measured prices, hypothetical finances

Historical home-price changes are not rental-property investment returns. Future changes below are base assumptions.

Example only: 25% down payment + 3% purchase costs = 28% initial cash; 5% selling costs; 2% annual net cash flow on purchase price; unchanged loan balance. Cash flow is after management, repairs/reserves, expenses and debt service. Nominal, before tax; no amortization or refinancing. These are NOT your actual returns.

Measure	Purchase to sale	Years	Price change / year	Total return on initial cash
U.S. history	1987-01 to 1990-05	3.3	+20.8% / +5.8%	+66.0% cumulative
U.S. history	1990-05 to 1991-03	0.8	-2.2% / -2.7%	-30.2% cumulative
U.S. history	1991-03 to 2007-02	15.9	+144.3% / +5.8%	+574.7% cumulative
U.S. history	2007-02 to 2012-02	5.0	-26.0% / -5.9%	-81.2% cumulative
U.S. history	2012-02 to 2022-06	10.3	+122.8% / +8.1%	+461.8% cumulative
U.S. history	2022-06 to 2023-01	0.6	-2.3% / -3.9%	-32.1% cumulative
U.S. history	2023-01 to 2026-07	3.5	+12.1% / +3.3%	+37.5% cumulative
Chicago history	2007-03 to 2012-04	5.1	-37.5% / -8.8%	-119.5% cumulative
Chicago history	2012-04 to 2026-07	14.2	+118.9% / +5.7%	+476.5% cumulative
Late advance (assumed)	2026 to 2028	1.5	+9.1% / +6.0%	+13.1% cumulative
Decline (assumed)	2028 to 2033	5.0	-22.6% / -5.0%	-69.6% cumulative
Recovery / advance (assumed)	2033 to 2045	12.0	+60.1% / +4.0%	+261.1% cumulative
Later advance (assumed)	2045 to 2052	7.0	+50.4% / +6.0%	+192.3% cumulative
Decline (assumed)	2052 to 2057	5.0	-22.6% / -5.0%	-69.6% cumulative
Recovery (assumed)	2057 to 2068	11.0	+54.0% / +4.0%	+233.5% cumulative

Read the return correctly: total cash profit = sale price minus selling costs and outstanding debt, plus net cash received during ownership, minus initial invested cash. The percentage is cumulative, not annualized IRR. Losses beyond -100% imply additional cash needed under this model. Actual outcomes require verified collections, capital spending, debt balances and transaction costs.

Decision foundation: cash flow, reserves, debt maturities and local evidence. Remain financially sound if the forecast is wrong. Refinancing example: $8,000 costs / $400 monthly savings = 20-month simple break-even; appraisal, lender terms and full interest costs still need review. Cash-out is borrowing, not profit.