Factors affecting home prices

Size and features
- Number of bedrooms, Bathrooms and kitchens
- Number of floors
- Interior living area
- Area of the garage
- Area of the lawn

Location and connections
- Population density of the city
- Distance to the nearest hospital
- Distance to the nearest police station
- Distance to the nearest shopping center
- Quality index of schools

Structural condition
- Year in which the house was built
- Most recent renovation
- Material of the foundation

Environment
- Air Quality Index
- Noise level
- Temperature

Economy
- Unemployment rate
- Inflation rate
- Mortgage rate
- Price of homes in the neighborhood

Factors that could influence residential home prices across the United States over the next decade are

- Size and features :
    1. Number of bedrooms, Bathrooms and kitchens : More bedrooms offer a greater space for resting and sleeping, more bathrooms offer a greater space for grooming and bathing.
    2. Number of floors : More floors imply more rooms.
    3. Interior living area : A greater living area means more space to lounge or work in, which is desirable.
    4. Area of the garage : A greater garage area offers more space for any cars which a homeowner might possess.
    5. Area of the lawn : A greater lawn area increases the aesthetic green space outside the building.

- Location and Connections :
  1. Population density of the city : Too high population densities imply congested neighborhoods and lower quality of living. Too low population densities imply very few neighbors and no community to be a part of. An intermediate population density offers the sweet spot between both extremes.
  2. Distance to the nearest hospital : The closer a hospital is, the lesser time it will take to reach it in medical emergencies.
  3. Distance to the nearest police station : The closer a police station is, the safer a particular neighborhood is due to quicker responses to criminal activity.
  4. Distance to the nearest shopping center : The closer a shopping center is, the lesser time it takes to shop for necessary and desirable items.
  5. Quality index of schools : Better schools in the city incentivize parents to buy the home and offer greater education opportunities to their children.

- Structural Condition :
  1. <u>Year in which the house was built</u> : The older the house, the more aged and weathered its structure would be, and hence repairs would be likelier and costlier, leading to a fall in the home's price.
  2. <u>Most recent renovation</u> : The further back the most recent renovation of the home, the greater the risk and expense of repairs of structural parts, and hence the lower the price.
  3. <u>Material of the foundation</u> : Sturdier foundation materials lead to higher home prices.

- Environment :
  1. <u>Air Quality Index</u> : Lower values of the index imply better quality air and a more livable locale.
  2. <u>Mean noise level</u> : Louder noise levels decrease the quality of life and hence reduce home prices.
  3. <u>Temperature</u> : Intermediate temperatures such as in the temperate regions are the most favorable, as opposed to too high or too low temperatures.

- Economy :
  1. <u>Unemployment rate</u> : The more the unemployment rate, the lesser the number of people earning salaries, the lesser the number of prospective buyers and the lower the home price.
  2. <u>Inflation rate</u> : The more the inflation rate, the lesser the purchasing power of the currency, hence the more of that currency will be needed for the same purchase, leading to a rise in home prices.
  3. <u>Mortgage rate</u> : If mortgage rates increase, financing a home purchase is harder, demand is lower and hence the home price is lower for the same supply.
  4. <u>Price of homes in the neighborhood</u> : If similar homes are selling for lower prices, sellers will be forced to reduce the price of the home they're selling, in order to compete properly.