Factors Influencing the Prices of Residential Houses:

Population of United States = 330 million

Population growth percent = 0.60%

Population increase in 10 years = 1.98 million

Total Population in next 10 years = 331.98 Million ≈ 332 million

\*\* Population growth % takes account of immigrants moving in United States for work.

**Age Segments:**

1. Age Group - A:

0-13: 20% of 330 million = 66.4M

There are 66.4 Million people belong to age group A. This age group will have little to no affect on the demand of house prices, the higher age bracket i.e from age 10 to 13, in next 10 years they might start college which would require them to move to new cities, while only handful of them we will a career, many individuals choose to dropout out from college in early years or they never attend one. So age group A can be neglected.

2. Age Group - B:

14-25: 30% of 330 million = 99.6M

There are 99.6 Million people in this age bracket, in next 10 years they can reach the max age of 35 which opens huge window for exploration of careers, college and adventures. The age group B is very important and has potential to affect the demand.

1. 30% of this age group will finish their college and seek employment, start their own ventures, become creators etc, in numbers i.e 29.82 million, only a subset of this age group can cause demands to exceed the supply.
2. 40% of this group could be already established, and would be looking for change in job, this proportion will moving from one city to another for job, this proportion will fill in the gaps if there are in demand and supply.
3. While the remainder can be ignored ad either they might be working in entry level jobs or might not be employed in non corporate jobs so they would low probability of exerting influence the prices

3. Age Group - C:

26-60: 40% of 330 million = 132 million

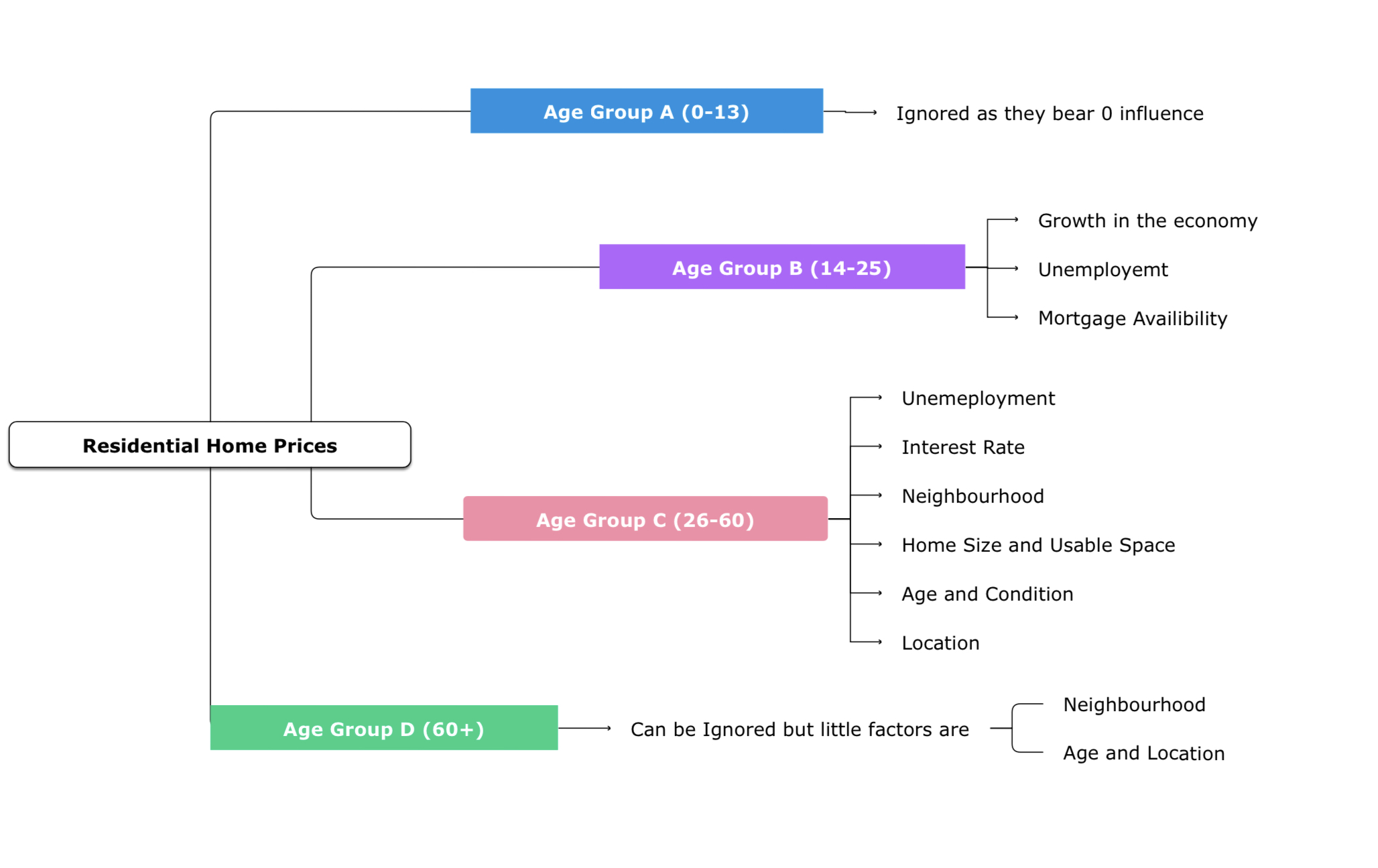
There arre 132 million people of are of this group, while for the lower ceiling age group the population would be dynamic, i.e changing jobs, location etc, so 40%, i.e 52.8 million of this age group are of focus, while rest can be ignored as they might have already established themselves at higher positions or are edging closer to their retirement.

4. Age Group - D:

60+: 10% of this age group can be ignored for hypothesis as only small segment of this group would be moving back to their hometown and few would be moving to condominium gifted by their children.

**Factors that Influence the Residential Home Prices:**

* **Growth in the Economy**: Residential house prices are major contributor to growth of the economy of any country and any slump in this sector can cause slack period, accounting the past record, the major house crisis in USA which resulted in more than 20% decline in the prices of the house, while this is more than a decade ago, the pandemic has certainly given the greatest economies a punch on the face, while many millions of people lost the job, the unemployment benefits received caused a surge in demand for the houses, where prices of the house in USA are at all time high.
* **Unemployment**: Unemployment directly impacts the the population on individual level, currently USA is witnessing a great resignation, while unemployment is a major factor influencing home prices, the pandemic caused almost the mirror effect. While according to \*MOODY’S\* the unemployment rate is only going to increase in next 10 years, it would be fascinating to see how covid-19 will play a role in this.
* **Interest Rates**: demand for house and interest rate are inversely proportional to each other, higher interest rate would reduce the purchasing power of an individual, hence reducing the demand.
* **Mortgage Availability**: Most banks are keen to lend mortgages during the boom years of 1996-2006. It enabled people to borrow large amounts of revenue (for example, five times the income). Additionally, minimal deposits that are 100% of mortgages are provided by banks. The flexibility of hypothecating meant that the housing demand grew as more people could buy now. Yet banks and construction companies have had trouble raising money to finance the financial markets since the 2007 credit crunch. Therefore, their borrowing conditions for a larger house purchase deposit have been improved. The supply of loans has been limited, and demand fell.
* **Neighbourhood**: An important factor that almost goes unnoticed is how a good neighbourhood influence the prices, a good and peaceful neighbourhood would always be prices much higher than those are not, people generally prefer to live in quit and safe places, safely in USA where gun crimes and beyond police control, hence this factor could play a huge role.
* **Locations:** Residential home prices are prices higher if the amenities that add to quality living are easily accessible, i.e why prices of houses/ apartments are significantly expensive in, New York, New Jersey, Boston, Chicago etc these cities have significantly higher residential prices even for small rooms.
* **Home Size and Usable Space:** When estimating your home’s market value, size is an important element to consider, since a bigger home can positively impact its valuation.The value of a home is roughly estimated in price per square foot — the sales price divided by the square footage of the home. Say a 2,000 square foot house sold for $200,000. The price per square foot would be $100.
* **Age and Condition:** Typically, homes that are newer appraise at a higher value. The fact that critical parts of the house, like plumbing, electrical, the roof, and appliances are newer and therefore less likely to break down, can generate savings for a buyer. For example, if a roof has a 20-year warranty, that’s money an owner will save over the next two decades, compared to an older home that may need a roof replaced in just a few years. Many buyers will pay top-dollar for a move-in-ready home. This is why most buyers require an inspection contingency in their contract — they want to negotiate repairs to avoid any major expenses following the sale.

**Mapped Relationship between Age and Factors**