**Real Estate Trends after an Election (2012 & 2016)**

**By Julian Rojas, Christian Anderson, and Michael Bone**

**Have the results of the election affected the housing market in any noticeable manner in the 11-month period after?**

We found that the data for the 11 months after each of the two elections being examined followed similar patterns. We calculated the average median price reduction percentage per month for all of the states and then plotted that data on a line graph showing the trends. We also took the median price listing and plotted those values as its own line, then multiplied the percentage decrease in listings times the median price listing to create a line that showed what the median looked like after prices decreased. Heat maps were also created to map the change for the average state median price reduction percentage from the beginning of the 11-month period to the end for each of the elections.

According to the median listing price data we analyzed, it seems that the initial trend immediately following both elections was a mild reduction in listing price, followed by a steady climb over the following months, generally starting around 3 months after the election results are announced, coinciding with the inauguration of both presidents in January. With a correlation value of 0.000105, a strong correlation between the two election years is present.

According to the public housing inventory measure, the amount of inventory available dropped nearly across the board following the months after the election. There were only a few states where we saw a significant increase in inventory available.

For the most part the time after each election follows a similar pattern. Our group finds this to be the most interesting part because the assumption was that it would be random. It cannot be concluded that election itself causes that specific trend in the housing market, which might be attributed to seasonal patterns or some other factor.

**Are there areas and regions that are more heavily affected than others?**

According to the results of the 2012 election, the median listing price increased more on average for states that voted Democrat by state than states that voted Republican. During the 2016 election, the increase in listing price seemed to be more evenly distributed than four years earlier. In the heatmap for the 2012 election, the percent change in inventory available is more drastic across the board than the percent change in inventory after the 2016 election.

Heat maps were also created to map the change for the average state median price reduction percentage from the beginning of the 11-month period to the end for each of the elections. While the changes in the average media price reduction percentage were small, the states with the most change relative to the other ones in 2012 congregated in the east coast.

**With this data do we see any trends that could be used to predict the timeline of a future crisis?**

With regard to election outcomes versus real estate trends, we posit that we should expect to see a slight dip in listing prices immediately following the election result and then see the market stabilize and climb in price over the following months after the president gets inaugurated. Differences of the housing market from one state to another seem noticeable but are not pronounced enough to make a definitive prediction of which swing states will decide the next presidential election.