**World Property News**

**History**

**“House flipping has seen a surge in popularity in the past decade or so, but the practice of buying and reselling houses as an investment has been around for quite some time. Did you know that investing in real estate goes back to before the Revolutionary War? Let’s explore the history of real estate investment, and see how this long-standing industry has come to be what it is today.**

**From cave drawings to condos**

**Real estate investing has become quite popular in recent years due to rising property values and low-interest rates, but where did it start? The earliest recorded history of the real estate industry has been found in cave drawings. The incorrect “history” of landlords would have you think that caves were “rented out” to tribal Homo Erectus. While this might not be true, historians do verify that there could have been a sort of currency exchange among ancient peoples for shelter.**

**The development of property rights for land created the first “defensible property” and marked an important moment in real estate. The industry may have been conceived by our ancient ancestors, but regarding selling a property for financial gain, the ambition of man was the driving force for this evolution.**

**The development and marketing of real estate had become a popular method of income, and was fairly common throughout the Middle Ages. Property ownership was a symbol of wealth and was one of the primary ways for the wealthy to ensure their assets. As an established industry, the real estate market flourished, and came with European colonists to the United States. Mixed with the opportunities of a New World, and the foundation of a free-market system, the seeds were planted for American entrepreneurs to turn the industry into a money-making machine.**

**Throughout history, Americans have cashed in on financial freedom**

**As a whole, real estate is sensitive to the ups and downs of economy. Throughout the 19th and early 20th century, the combination of a capitalist economy and a growing population made the expansion of land-use a hot market. The economic prosperity of the 1920’s brought about a huge surge in real estate, especially in housing, but by the mid-1930s, 16 million people were unemployed and the demand for real estate of all types declined. Soon after, World War II brought technological innovation and a backlog of demand for new construction. The mortgage stability introduced by federal legislation following the Great Depression and World War II greatly aided the huge expansion of suburban housing that followed the war.**

**A precursor to the house flipping phenomenon was the enactment of the Federal Real Estate Investment Trust (REIT) legislation. On Sept. 14, 1960, President Dwight D. Eisenhower signed legislation that combined the best attributes of real estate and stock-based investment to create a new way of producing income. This act made it easier for large investors to pool resources for real estate projects. The legislation has been modified over the years, and has led to a much larger real estate industry, and as you may know, expanding industries are always looking for new markets. As a result, today, there is a much greater opportunity for those looking to pursue property investment.**

**In the 1980s, television programs such as the PBS feature "This Old House" gave rise to dozens of home improvement programs on cable television. Since then, the entertainment industry has taken the lure of reality TV, combined it with the popularity of REI, and ran with it. The spike in shows based on home repair, house flipping, and DIY projects, has encouraged thousands of real estate investments in recent years, while such high ratings continue to provide a powerful venue for real estate pros.**

**At the same time, the economic recession of the 1980s had the double effect of holding down stock market earnings and increasing the number of house foreclosures. With an ample supply of foreclosed homes for potential renovation, golden opportunities for property investment made an appearance. Soon, dreams of investment success and financial freedom became real, and profitable property investment was found to be an attainable goal for average Americans.”**

#### [Haley Moran](https://www.shermanbridge.com/blog/author/haley-moran)

**Tradition**

**Historically, Chinese people like to own property. There is a cultural attitude towards owning your own, not borrowing or leasing it. Before the rise of Communism, which started in 1949, many Chinese owned their own property, whether that was a factory, a farm, shop or house. Of course, once Communism was established this changed and everything was shared. However, the dream and ideal of property ownership is deeply established in their minds. So when Chinese people are buying property it is not because they are following a trend or because the market is ripe; it is a tradition. Of course it’s true that we Chinese people like to bargain, regardless of we are rich or poor. This is how most people buy things in China – even if we can afford something we still bargain for it. There are two reasons for this. If you buy something and didn’t bargain for it you would be seen as foolish. But also, if you get a good bargain, you “win face” in Chinese culture – and face is more important than saving money.**