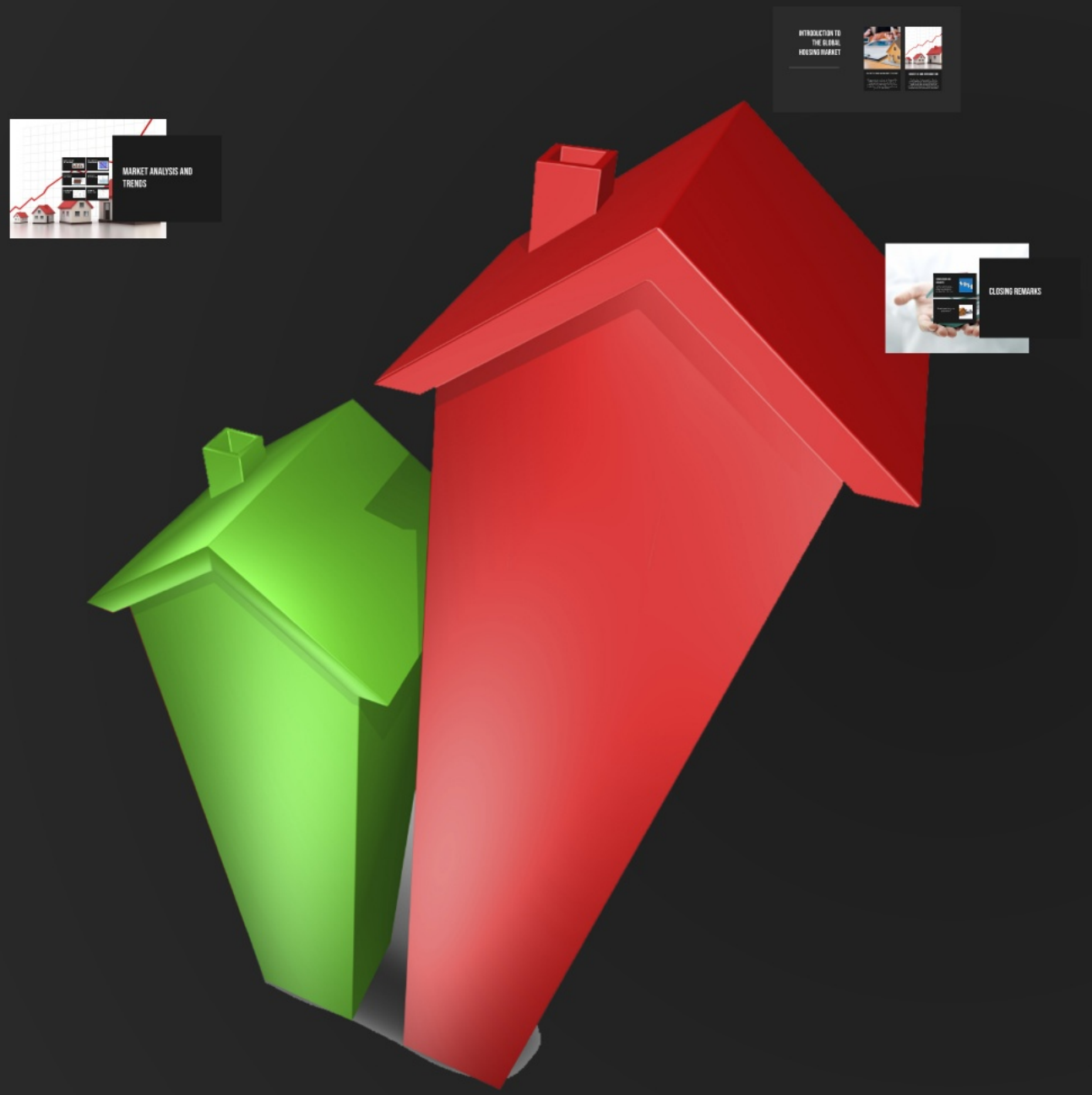

A DIVE INTO THE GLOBAL HOUSING MARKET (2015-2024)

BY: Lewis King

INTRODUCTION TO THE GLOBAL HOUSING MARKET

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This presentation explores the changes of the global housing market from 2015 to 2024, highlighting key trends and shifts. By analyzing various indicators, I aim to provide insights into the factors influencing housing prices and affordability.

OBJECTIVE AND INTRODUCTION

The objective of this analysis is to identify trends, patterns, and anomalies in the global housing market data. By understanding these trends buyers and researchers can better navigate the complexities of the housing market and make educated predictions for the market.

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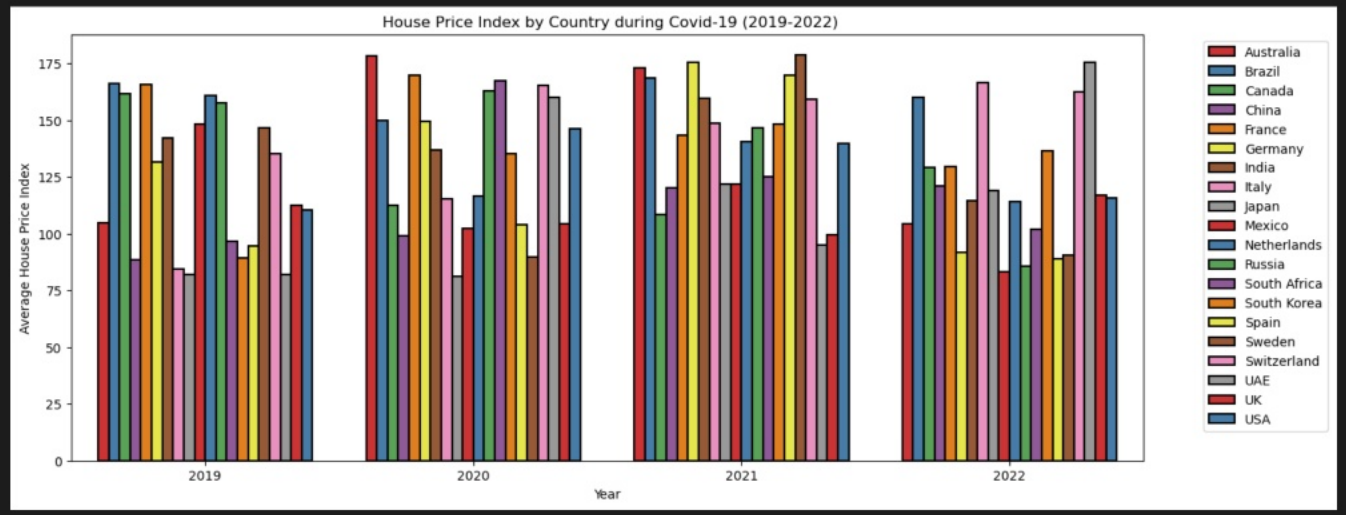
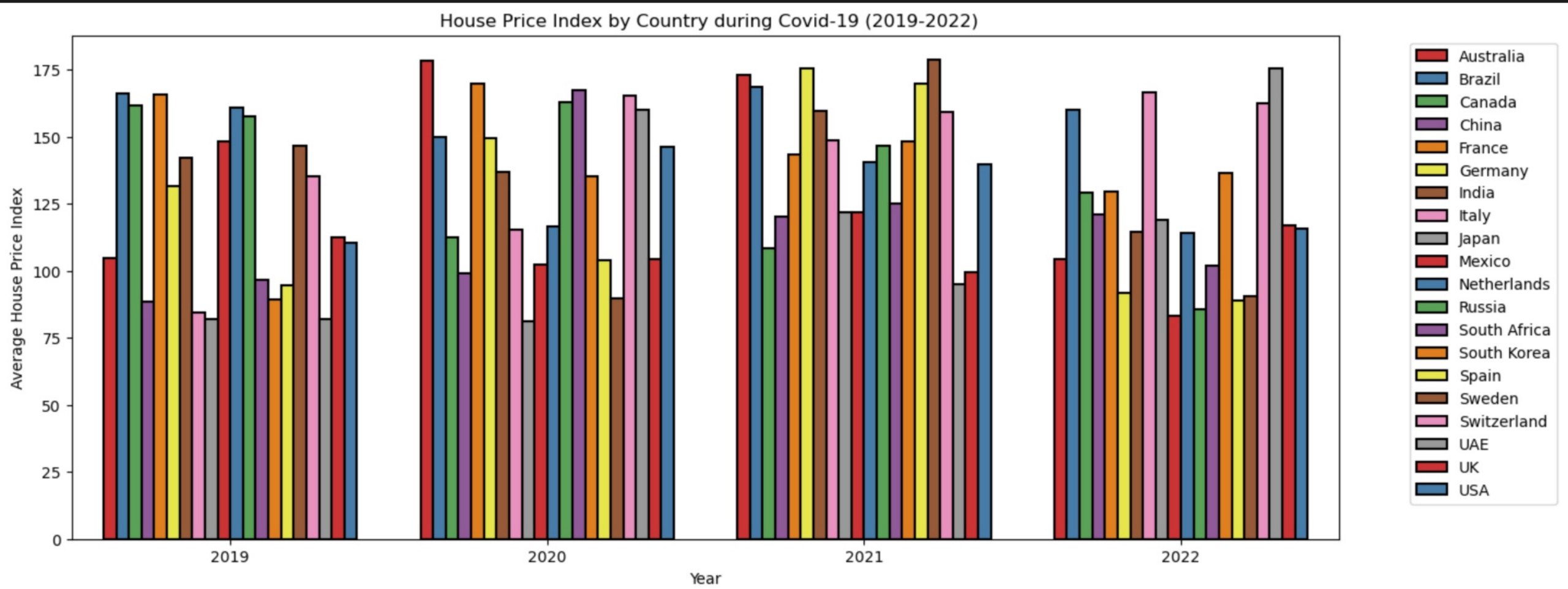
MARKET ANALYSIS AND TRENDS

IMPACT OF COVID-19 ON THE HOUSING MARKET

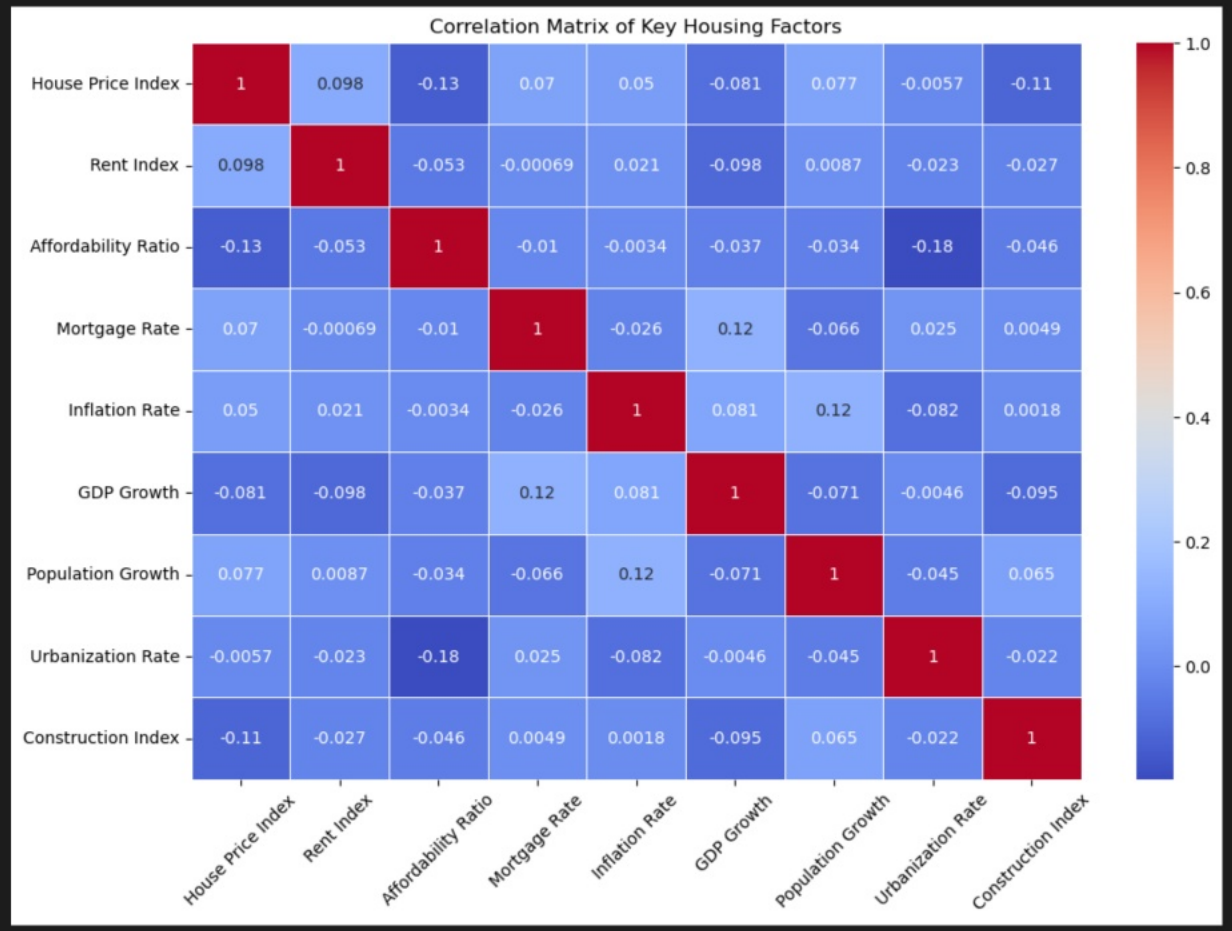
The COVID-19 pandemic significantly impacted the housing market, leading to a sharp increase in the average House Price Index across various countries. This surge was primarily driven by low mortgage rates and changing lifestyle preferences due to remote work.




House Price Index by Country during Covid-19 (2019-2022)
Average House Price Index
0
25
50
75
100
125
150
175
2019
2020
2021
2022
Year
Australia
Brazil
Canada
China
France
Germany
India
Italy
Japan
Mexico
Netherlands
Russia
South Africa
South Korea
Spain
Sweden
Switzerland
UAE
UK
USA

CORRELATION BETWEEN KEY HOUSING FACTORS

The heatmap reveals strong positive correlations between the House Price Index and Rent Index, indicating that rising house prices often lead to increased rent prices. Additionally, a positive correlation exists between the Affordability Ratio and Mortgage Rate, suggesting that higher mortgage rates can negatively impact housing affordability.



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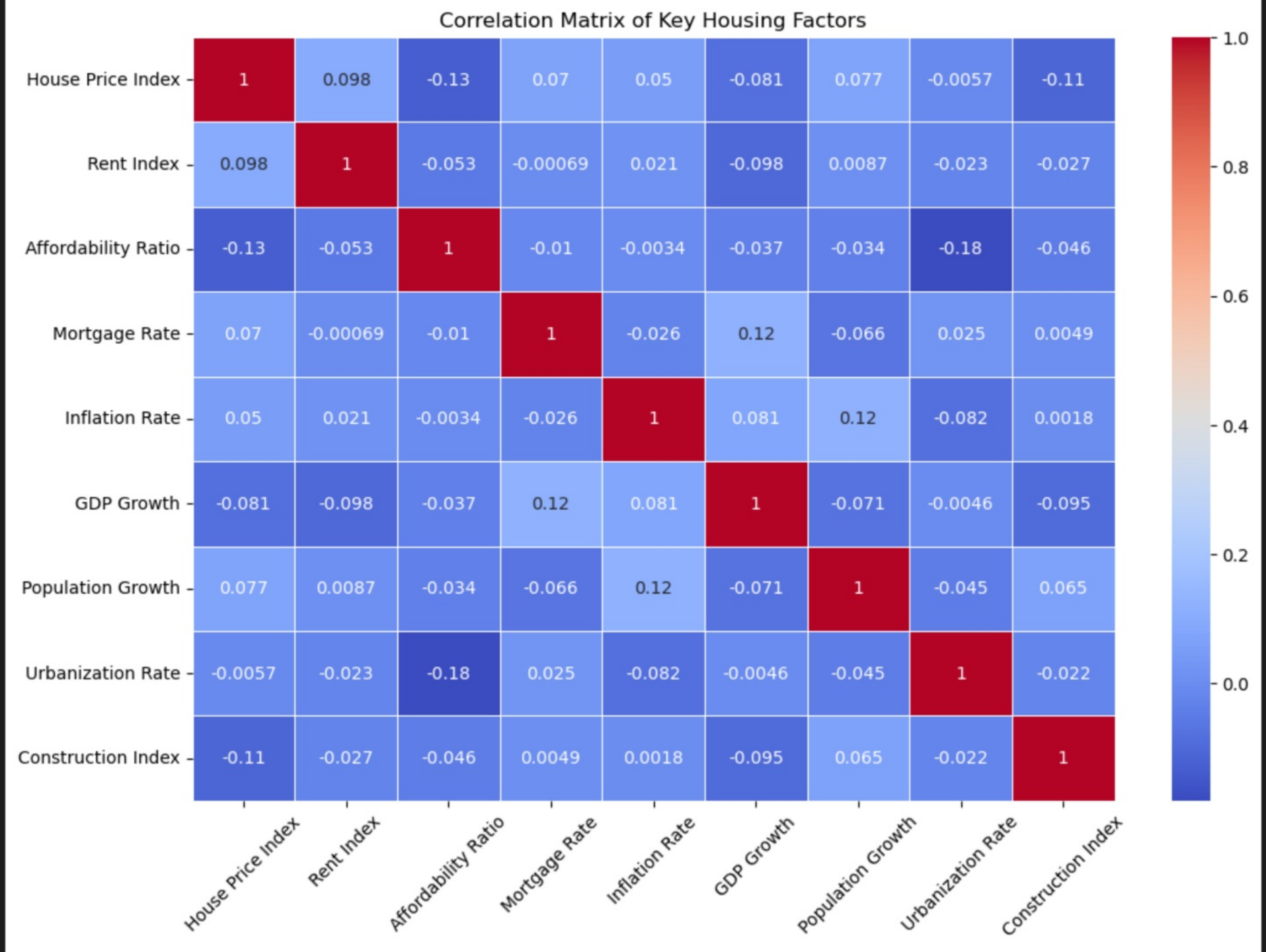
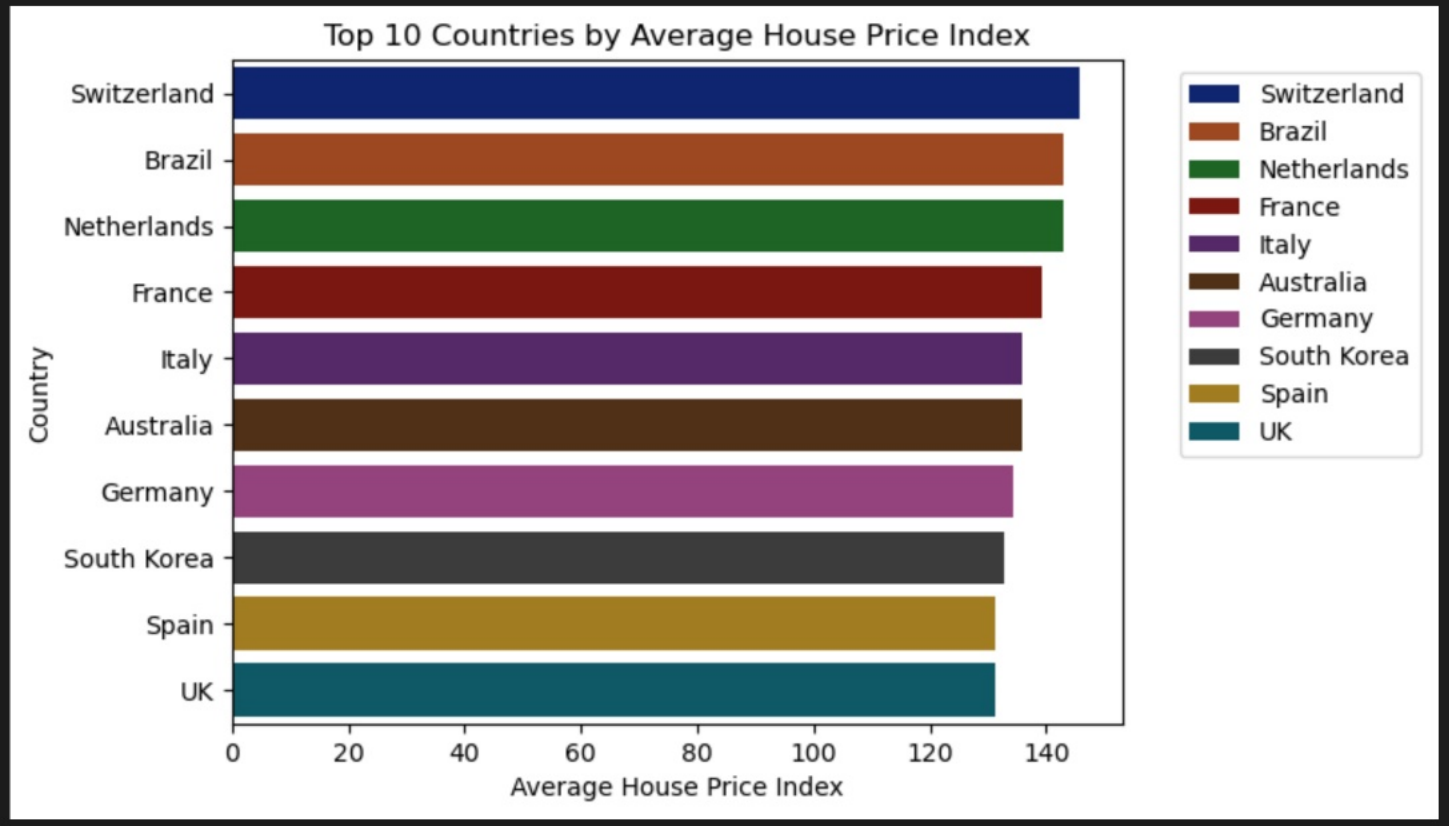

Correlation Matrix of Key Housing Factors
House Price Index
Rent Index
Affordability Ratio
Mortgage Rate
Inflation Rate
GDP Growth
Population Growth
Urbanization Rate
Construction Index
1 0.098 -0.13 0.07 0.05 -0.081 0.077 -0.0057 -0.11
0.098 1 -0.053 -0.00069 0.021 -0.098 0.0087 -0.023 -0.027
-0.13 -0.053 1 -0.01 -0.0034 -0.037 -0.034 -0.18 -0.046
0.07 -0.00069 -0.01 1 -0.026 0.12 -0.066 0.025 0.0049
0.05 0.021 -0.0034 -0.026 1 0.081 0.12 -0.082 0.0018
-0.081 -0.098 -0.037 0.12 0.081 1 -0.071 -0.0046 -0.095
0.077 0.0087 -0.034 -0.066 0.12 -0.071 1 -0.045 0.065
-0.0057 -0.023 -0.18 0.025 -0.082 -0.0046 -0.045 1 -0.022
-0.11 -0.027 -0.046 0.0049 0.0018 -0.095 0.065 -0.022 1
1.0
0.8
0.6
0.4
0.2
0.0

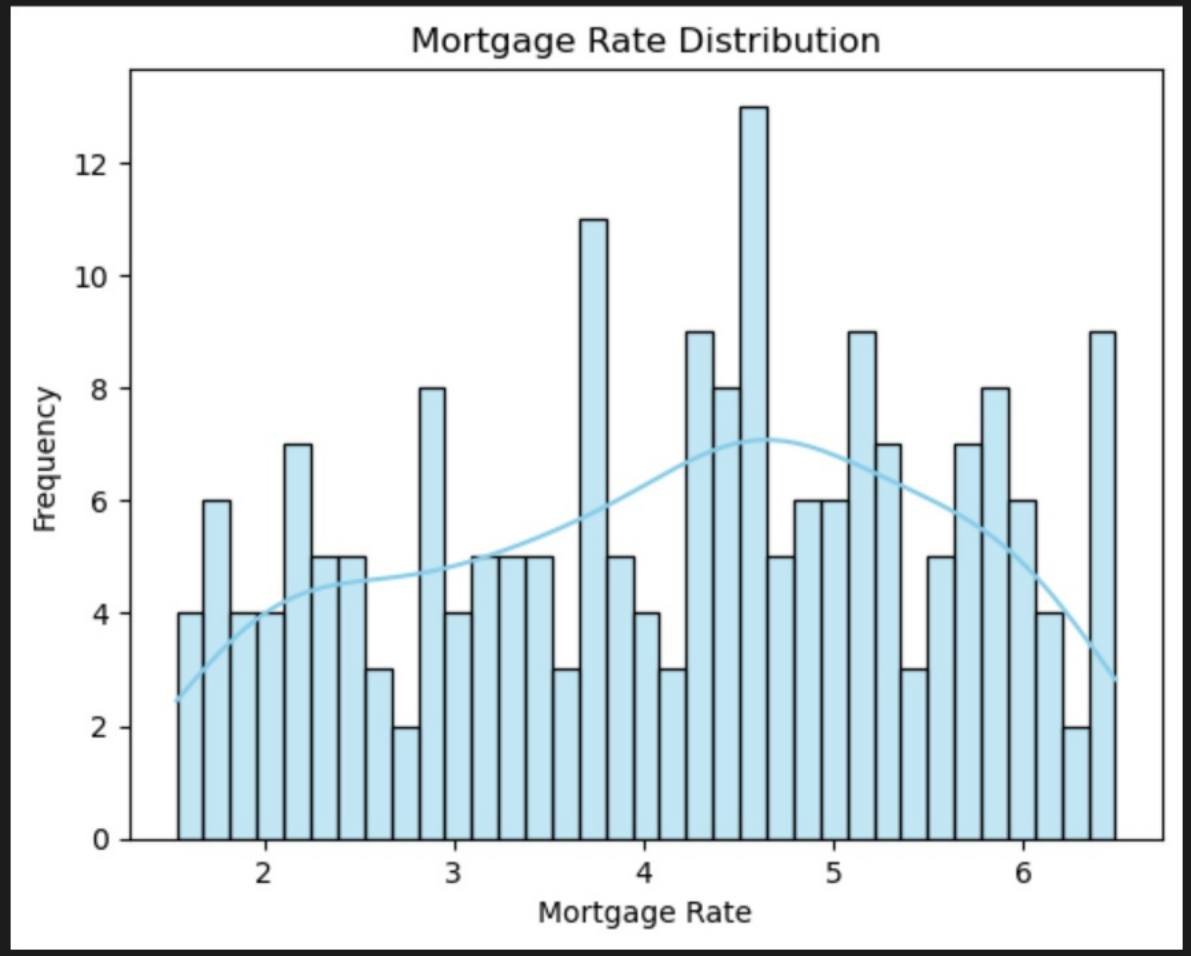
TOP 10 COUNTIRES WITH HIGHEST HOUSING PRICES

From 2015 to 2024, Switzerland, Brazil, and the Netherlands consistently reported the highest housing prices. Possiblely due to the fact that they have strong housing demand and but limited supply. This trend highlights the importance urbanization in determining housing costs.



MORTGAGE RATES OVERVIEW (2015-2024)

The majority of mortgage rates during the 2015-2024 period clustered between 2% and 6%, with a notable peak around 4.5%. This distribution indicates that low mortgage rates played a crucial role in driving up housing prices globally.

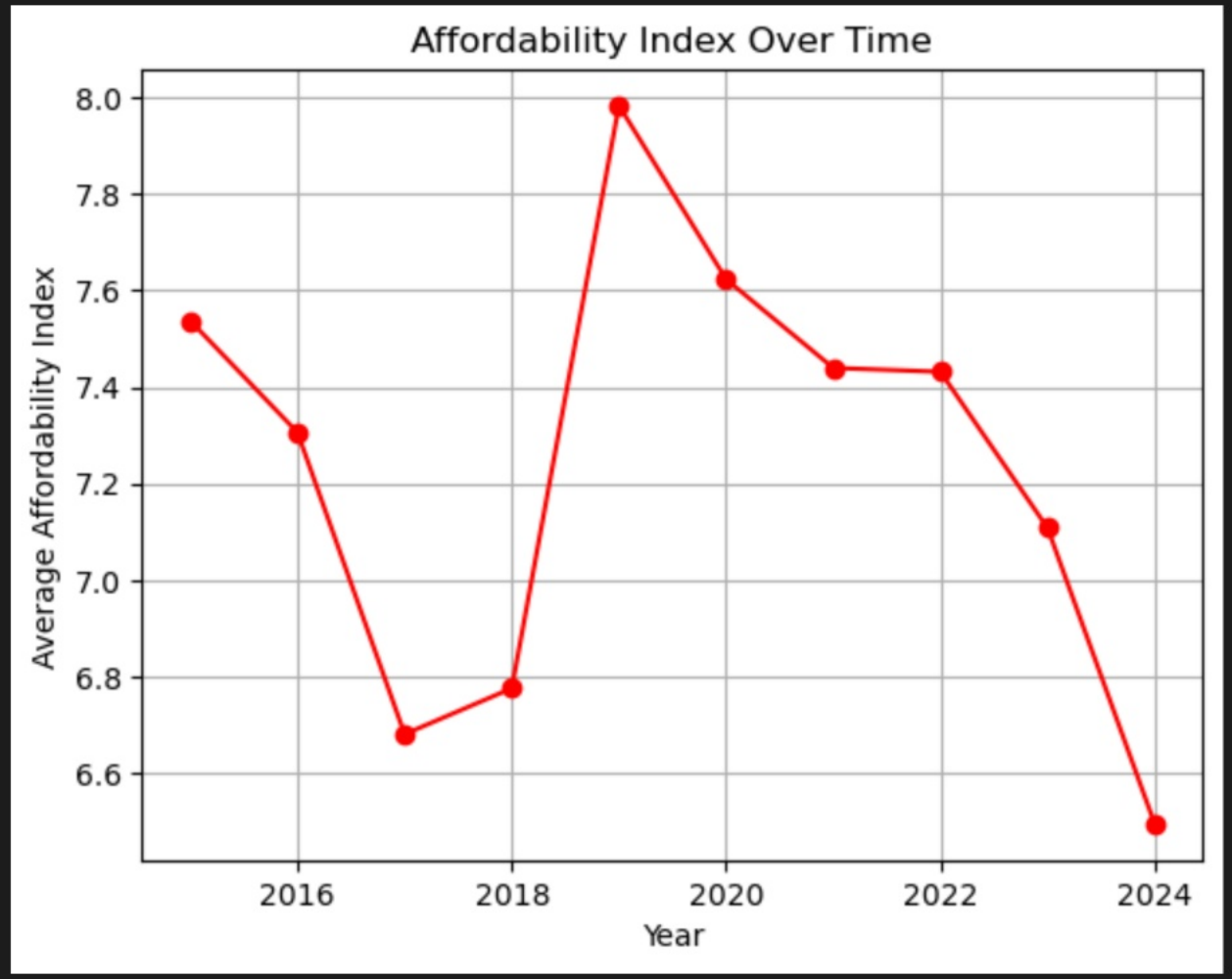


HOUSE PRICE INDEX VS RENT INDEX

The scatter plot comparing the House Price Index and Rent Index illustrates a positive relationship, where increasing house prices correlate with rising rental prices. However, the spread of data points suggests that this relationship varies significantly by country.

AFFORDABILITY TRENDS OVER TIME

The line plot depicting the Affordability Index over time reveals significant trends, particularly the spike in affordability issues from 2018 to 2020. Post-2022, the data indicates a stabilization in affordability, suggesting a return to more predictable market conditions.

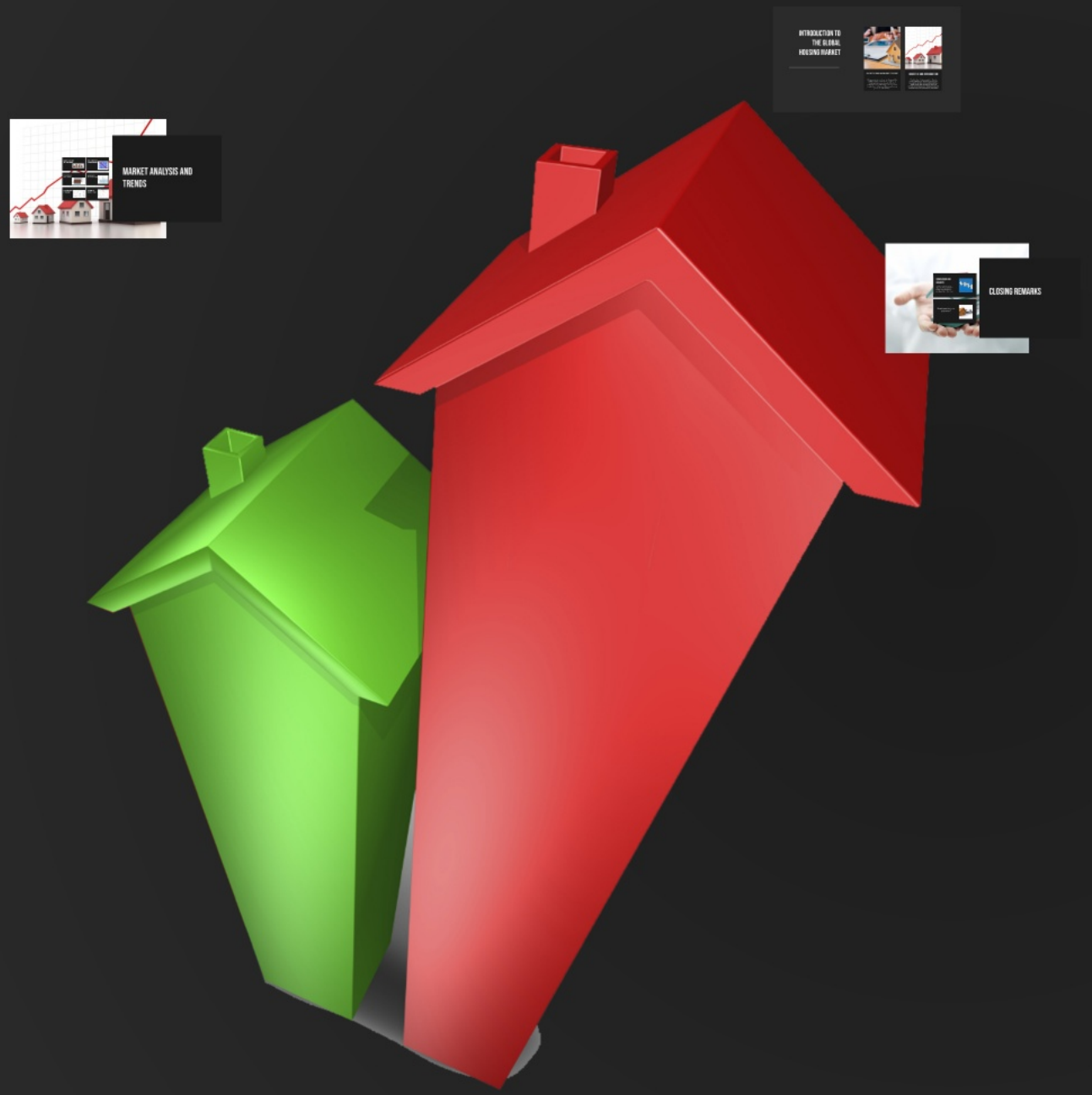


CLOSING REMARKS

CONCLUSION AND INSIGHTS

The analysis gives a glimpse of the importance of understanding the relationships between key housing factors and their influence on the market. We found significant trends, particularly in the decline in affordability and the correlation between housing costs and mortgage rates. Understanding these relationships is crucial to better navigate the housing market and make educated predictions for the market in the future.

Thank you for your attention!



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