-: Factor Influencing the US House Prices: -

Unemployment Rate:
- High unemployment can reduce demand for housing, leading to lower prices. Conversely, a low unemployment often correlates with increased demand, driving prices up.

Per Capita GDP:
- Economic prosperity, as reflected in GDP per capita, generally correlates with higher house prices. Increased income levels empower individuals to afford more expensive homes.

Median Household Income:
- Higher median household incomes typically lead to increased purchasing power, positively impacting demand for housing and contributing to higher home prices.

Construction Prices:
- Fluctuations in construction costs directly affect the supply side of the housing market. Higher construction prices may limit new housing supply, potentially driving up prices.

CPI (Consumer Price Index):
- Inflation, as measured by the CPI, can influence house prices. Inflation erodes currency's purchasing power, making tangible assets like real estate attractive as a hedge, potentially driving up demand and prices.

Interest Rates:
- Lower interest rates tend to stimulate mortgage demand, making homeownership more affordable. This increased demand can contribute to rising house prices.

Number of New Houses Supplied:
- The law of supply and demand plays a crucial role. A limited supply of new houses relative to demand can increase prices.

Working Population:
- A growing working-age population can drive housing demand as more individuals seek homeownership, potentially increasing prices.

Urban Population:
- Urbanization trends can impact housing demand. High urban population growth often leads to increased demand for housing in urban areas, influencing prices.

Percentage of Population Above 65:
- The aging population may influence housing demand. Older individuals may downsize or seek specific housing types, affecting prices in certain market segments.

Housing Subsidies:
- Government policies and subsidies can influence housing affordability. Subsidies may stimulate demand, affecting prices in subsidized segments of the market.

Number of Households (As a Proxy for Home Prices - S&P CASE-SHILLER Index):
- The number of households can serve as a proxy for housing demand. As demand increases or decreases, it can influence the S&P CASE-SHILLER Index, reflecting changes in home prices.

Understanding the intricate interplay of these factors is essential for predicting and responding to fluctuations in the U.S. housing market. Policymakers, real estate professionals, and investors must monitor these variables to make informed decisions in this dynamic and vital economic sector.

Other factors which can influence home prices are:

Neighbourhoods:
- The character and desirability of specific neighbourhoods significantly impact home prices. Proximity to amenities, safety, and community appeal contribute to the attractiveness of a neighbourhood, influencing housing demand and prices.

Highways:
- Accessibility and proximity to major highways or transportation hubs can affect home prices. Convenient transportation options often make an area more desirable, potentially driving up housing demand and prices.

Attractions:
- The presence of attractions such as parks, entertainment venues, and cultural sites can enhance the appeal of an area, positively impacting housing demand and prices.

Hospitals:
- Access to quality healthcare facilities can be a crucial factor influencing home prices. Proximity to hospitals and healthcare services may increase the attractiveness of a neighborhood, contributing to higher housing demand.

Schools:

- The quality of local schools is a significant determinant of housing prices. Areas with well-regarded schools tend to attract families, increasing demand for homes and potentially higher prices.

Property Taxes:

- Property taxes vary by location and can influence the overall cost of homeownership. Higher property taxes may impact housing affordability, potentially affecting demand and prices.

Crime Rate:

- The safety of a neighborhood, reflected in its crime rate, plays a pivotal role in home prices. Areas with lower crime rates are often more desirable, leading to increased demand and higher housing prices.

Government Laws:

- Government policies, including tax deductions for mortgage interest and tariffs on construction materials, can directly impact the housing market. These policies influence affordability, demand, and, subsequently, home prices.

Mortgage Availability:

- The ease of obtaining mortgages from financial institutions influences the purchasing power of potential homebuyers. During periods of readily available mortgages, housing demand may increase, impacting prices.

Area Desirability:

- Local micro-climates that defy national housing trends can be attributed to specific area desirability. Factors such as excellent school districts, trendy neighbourhoods, and unique amenities increase demand and potentially higher home prices.

These additional considerations further underscore the complexity of the factors influencing U.S. house prices, emphasizing the importance of a multifaceted analysis for a comprehensive understanding of the real estate market.

MECE FRAME WORK

Factors Influencing US House Prices

Economic Factor

- Growth in the Economy
- Unemployment
- Customer Trust Rates
- Offering
- GDP
- Home Sales Economy Mirror
- Supply and Demand
- Advance
- Compliance
- Competition
- Extinct
- Surplus Productivity

Location

- Neighborhoods
- Highways
- Attractions
- Schools
- Area Desirability
- Crime Rate

Government

- Government laws
- Property Taxes

Banks

- Mortgage Availability
- Interest Rates