All the factors that could influence residential home prices across the United States over the next 10 years, and how.

For convenience I have divided my findings into 5 factors, for which there are multiple sub-factors for each.

1. Overall market factors
2. Factors affecting the residency
3. Factors affecting the construction of residencies
4. Factors affecting buyers/renters
5. Factors affecing owners

1. Overall market factors

a. Bullish / Bearish market : The market and its performance of stocks will influence the willingness of people to invest into real estate.

b. Interest Rates : Somewhat related to the previous point, a bearish market can trigger higher interest rates, which will encourage people to save their money instead.

c. Employment / Unemployment and their indicators : A higher rate of employment ensures security among prospective buyers, which will raise the demand for residencies and therefore boost the real estate prices as well.

d. Trends in pertinent industries / sectors : A dip in the raw material / labour industry will send waves that are likely to be felt within the real estate sector as well.

e. International conflict / Tensions : The United States' role in conflict, and therefore their overall perception on a global stage, can affect the demand from particular immigrant / non-native communities. (same goes for native communities)

2. Factors affecting the residency

a. Location : Depending on the remaining availability of land, the location of the residency is crucial towards setting its price.

b. Climate : Not only the current average climatical conditions, but the erratic weather patters likely to be cause by climate change are prone to affect some residencies more than others, which will be another contributing factor in the price of the same.

c. Proximity : Proximity to schools, shopping complexes, hospitals etc. is a major factor in the opinion of the buyer. So the development of such amenities in particular regions can trigger the rise of residential home prices in that region.

d. Propensity to disasters : A house closer to a volcano or a high frequency earthquake zone is expected to cost less than one that is not prone to natural disasters.

e. Natural wear and tear : High pollution in itself, or indirectly through factors like acid rain, can trigger faster wear and tear of particular housing materials, which will either be added to the cost, or be deducted from the real estate prices.

f. Age / Previous owners : In the next 10 years, all of the current houses will age 10 years. This will make them less appealing than younger, newly built house unless renovations are performed upon it. The previous owners also play a critical role in opinion of prospective buyers, for example a homeowner will not pay the same amount for a house earlier owned by a serial killer.

3. Factors affecting the construction of residencies

a. Availability of land, labour, raw materials and power : Construction of a house when there is a shortage of any of the above or similar inputs is likely to raise the prices of already constructed residential homes, since a shortage of these inputs will signal a shorter supply of available residencies.

b. Contractor / Labour Unions : Unionization of labour will result in higher residential home prices since they are likely to demand higher wages, insurance etc. , which will lead to higher costs of building residencies.

c. Government Policies : Changes in government policy on homeownership, property taxes or similar ideas will be reflected in the residential home prices as well.

d. Changes in construction technology / process : Similar to the previous point, any changes here will be reflected in the prices of residential homes.

4. Factors affecting buyers / renters :

a. Income (and Savings) : If inflation is consistently higher than wage increase, this will trigger net income and savings loss for many individuals, resulting in lower demand for homes and eventually lower prices for residential homes.

b. Inheritance : Changes in the average trends within inheritance may leave the average person richer / poorer, which will be reflected within the demand for residential home prices.

c. Opinion towards home-ownership : Ties into the demand aspect of residential homes.

d. Alternatives : Alternatives to residential homes, for example trailers and campers, may gain popularity which will therefore result in lower residential prices.

e. Security : The security of a particular region may change depeding on crime rate, unemployment and other factors. Homes where people may not feel secure are unlikely to receive bids from many prospective buyers.

f. Community : Especially true for non - natives, many communities choose to purchase residencies with significant number of religious, political or racial similarities, which can trigger an artificial demand in particular regions.

g. Positive / Negative news surrounding a region : Example - Flint, Michigan.

5. Factors affecting owners

a. Comparable prices : Residential home prices are heavily influenced by comparable prices, since a cheaper than normal residency will be missing out on potential profit and a highly priced residency will not receive any offers.

b. Expected cost of maintenance : For regions with saltwater supply that requires additional costs to overcome, the higher investment is likely to be reflected in the landlord's / owner's prices.

c. Property Taxes : Higher property taxes = Higher incentive to not own residencies.

These are all the factors I could imagine affecting the residential home prices of the United States, within the next 10 years. I am always grateful for any feedback / criticism. Looking forward to hearing from you.

Best

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