**Question-** What are all the factors that could influence the residential home prices across the U.S over the next decade and how?

**Solution-**

Before seeing the solution, I want you to know that I was not aware of the term MECE earlier. After getting the assignment I checked it on internet and then tried to implement an MECE approach to this problem. The information that has been used in the solution is also gathered from the internet. You will find mistakes in this solution, and please do let me know about it. I would love to hear a feedback from your side. I have tried doing it as I am fresher and have no experience in solving problems using MECE approach.

Coming back to the problem, we were given problem to address the factors that could influence the residential home prices across the U.S over the next decade.

We break the solution in to two parts i.e Supply and Demand.

* Both will have a direct or indirect impact on the prices of residential homes. If the supply increases it will make prices go down and if the demand increases it will make prices go up.

**Supply**

1. Further, Supply is divided into two sub-categories, Resources to build and Land availability.

* Resources and Land availability will be the two factors that may affect the supply.
* If the resources are less then it will reduce the supply resulting in increasing of price. and if the proper land is available then only the supply can be fulfilled properly.

1. Resources are further divided into two subcategories, raw material and labor costs.

* Raw material and labor cost also will have a direct or indirect impact on the supply.

**Demand**

1. Demand is divided in two categories:- Buying capacity of people and population.

* If the people are capable of buying more property then it will have an impact on demand.
* Population might also play a role in impacting demand.

1. Buying capacity of people will depend upon the income of the people.
2. Income of people is further divided into two categories.

* Inflation will also play an import role on people’s income.
* Economy health of U.S will also be responsible for this.