

Quick 5-steps process to understand what factors
may drive housing prices in the city you live in

When or where to choose to buy, can range from multiple factors



Location



Demographics



Macroeconomic

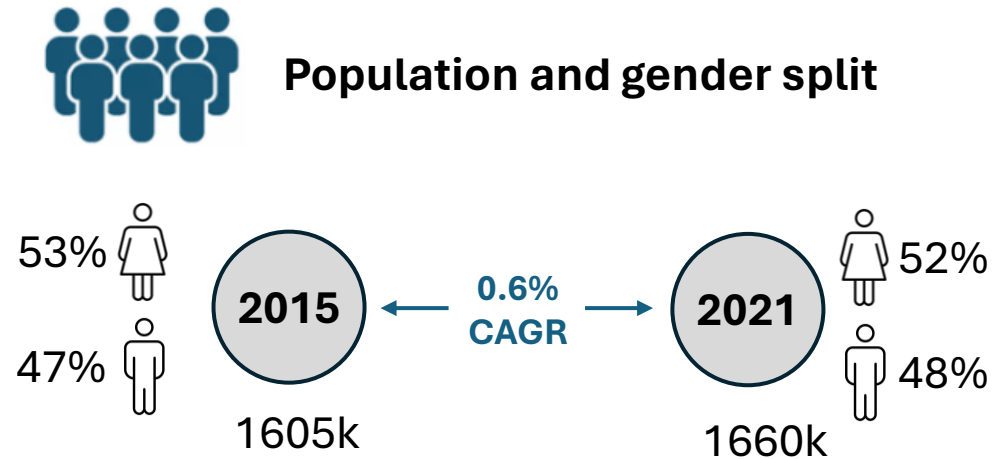


Real state

1 Understand your most relevant demographics

City: Barcelona

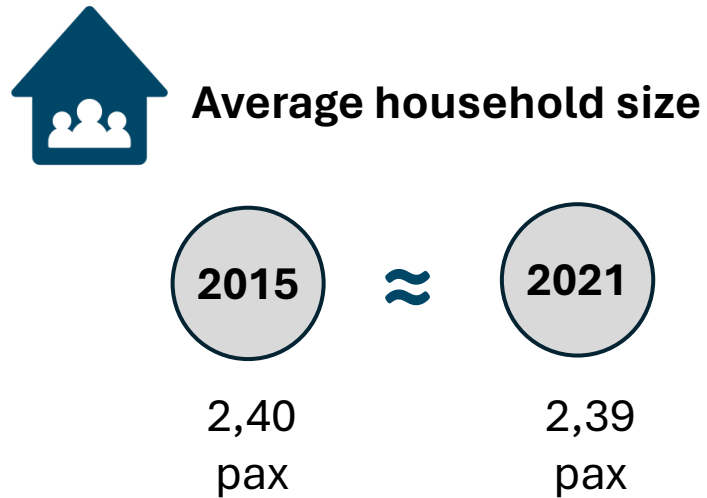
Period: 2015-2021



Flat population increase. Mostly women...

1 Understand your most relevant demographics

City: Barcelona
Period: 2015-2021

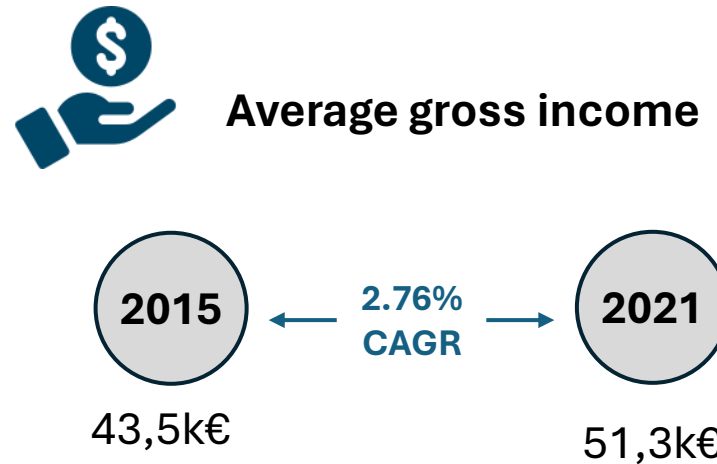


Household size has remained the same...

1 Understand your most relevant demographics

City: Barcelona

Period: 2015-2021

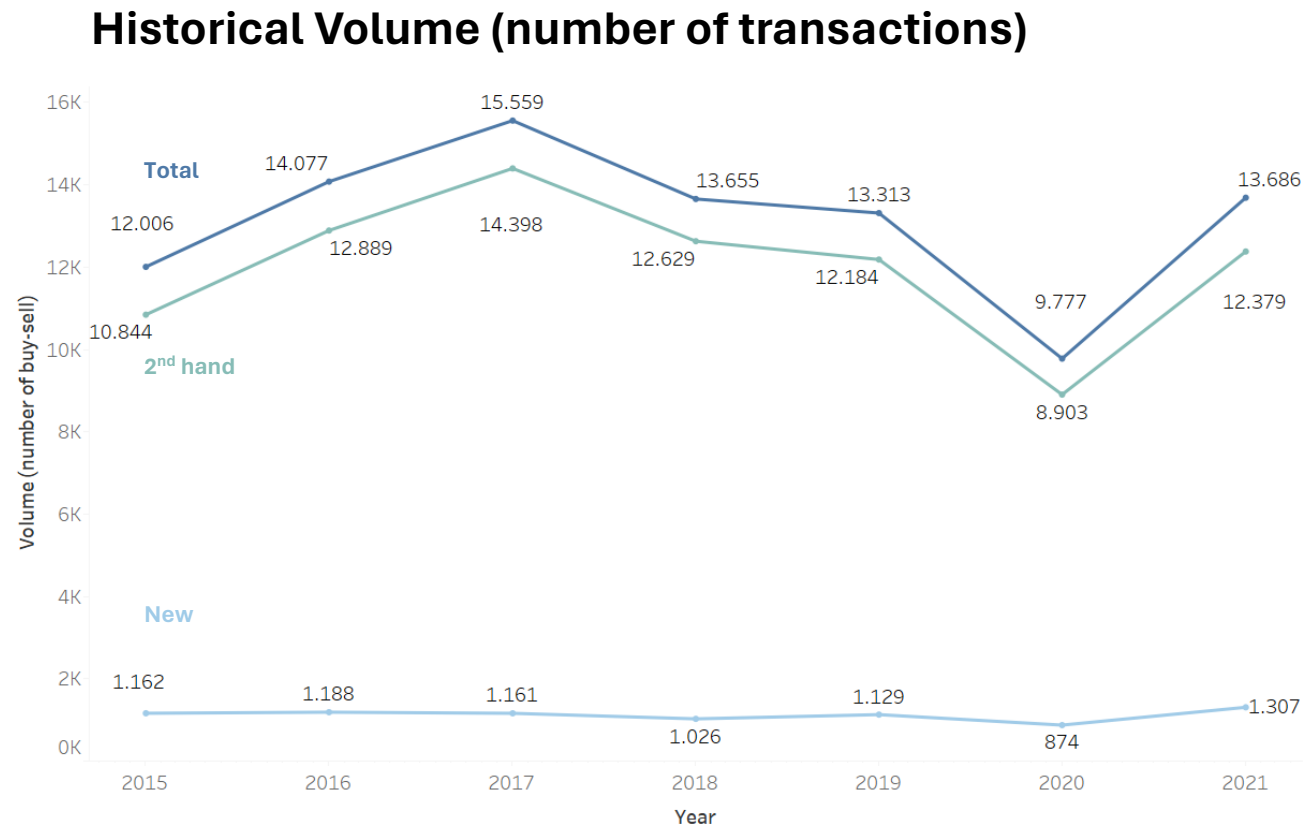


Increase in household gross income has been within the range of inflation throughout these years (-0.5% in 2015 and 3% in 2021*)

*Inflation. Source: [Macro trends](#)

2

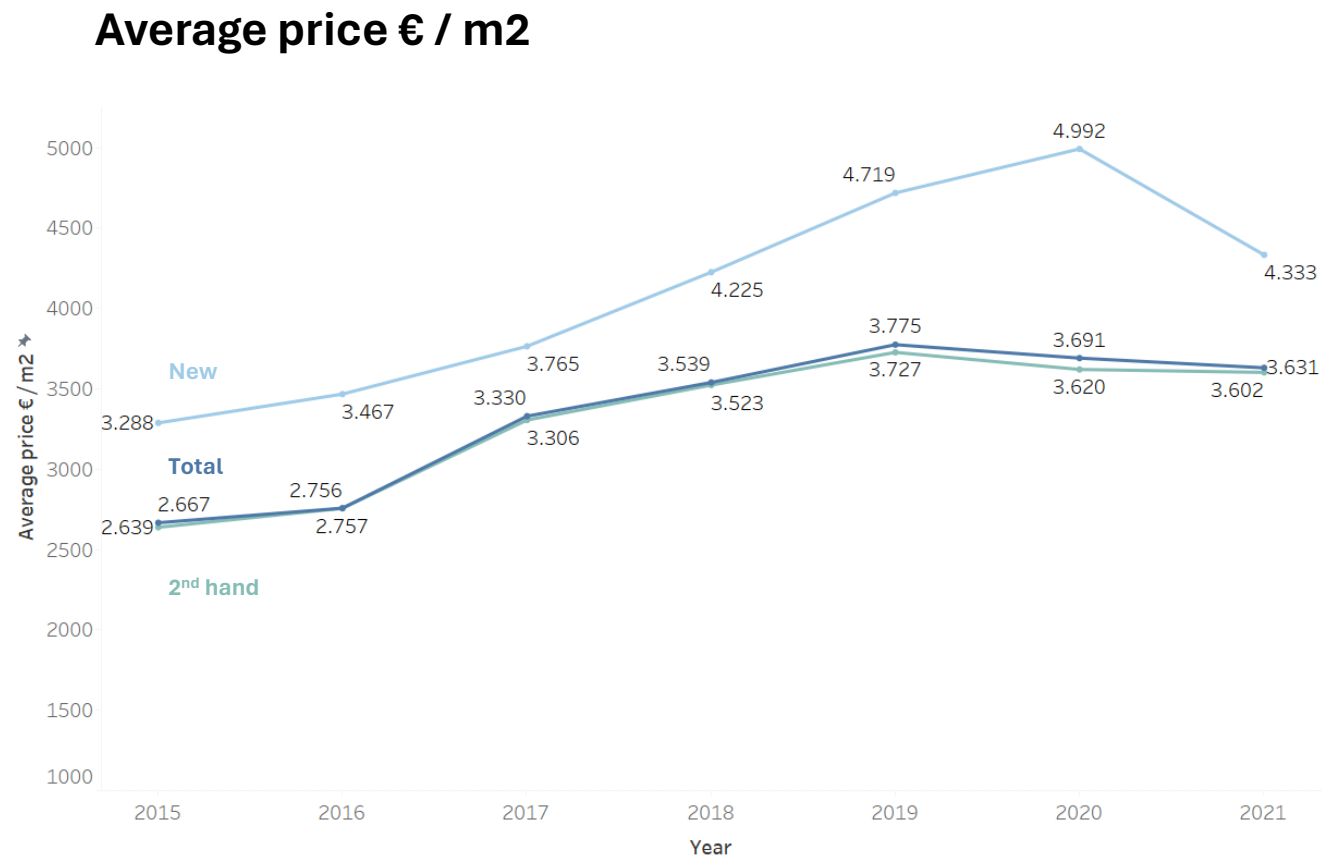
Understand the real estate market



Transactions mostly driven by 2nd hand homes (around 10x more than new homes)

2

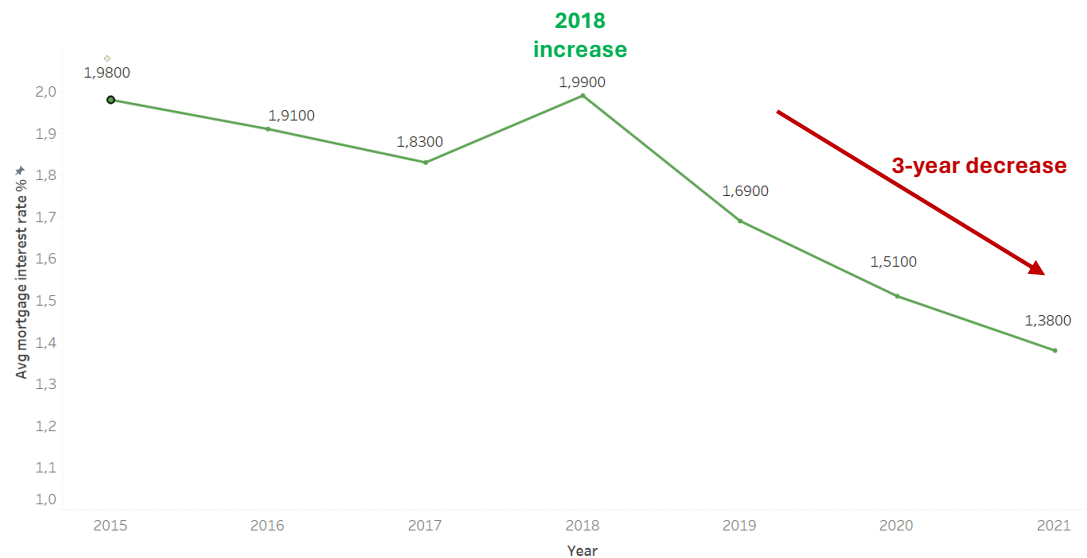
Understand the real estate market



Continuous avg. price / m² increase in both home types (new is higher)

3 Contrast macroeconomic metrics

Average mortgage interest rate %



Historical volume (number of transactions)

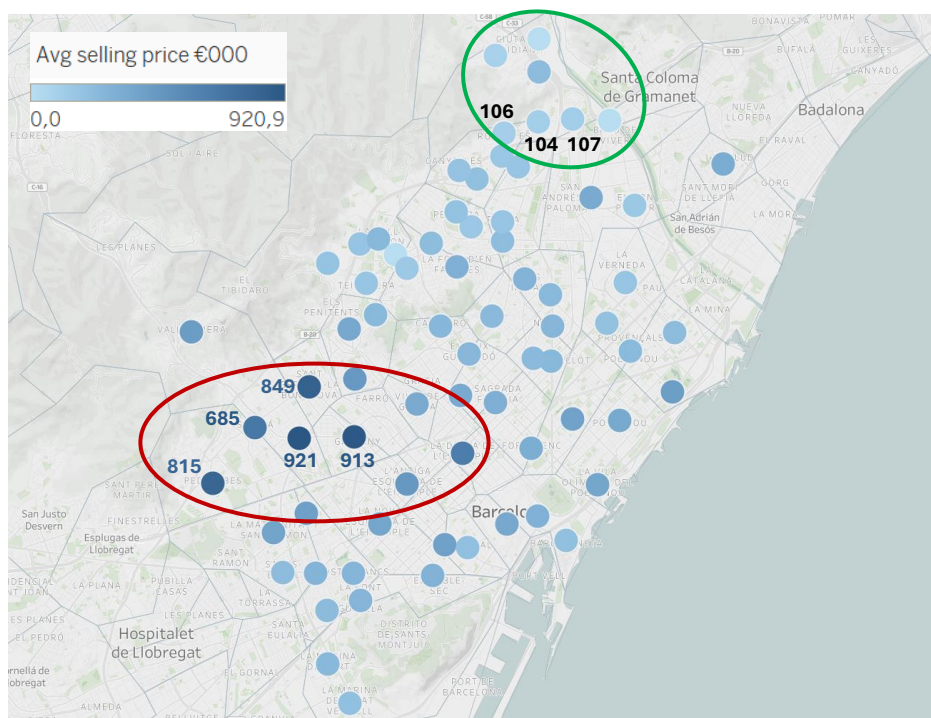


Mortgage interest rates have a close relationship with demand for homes

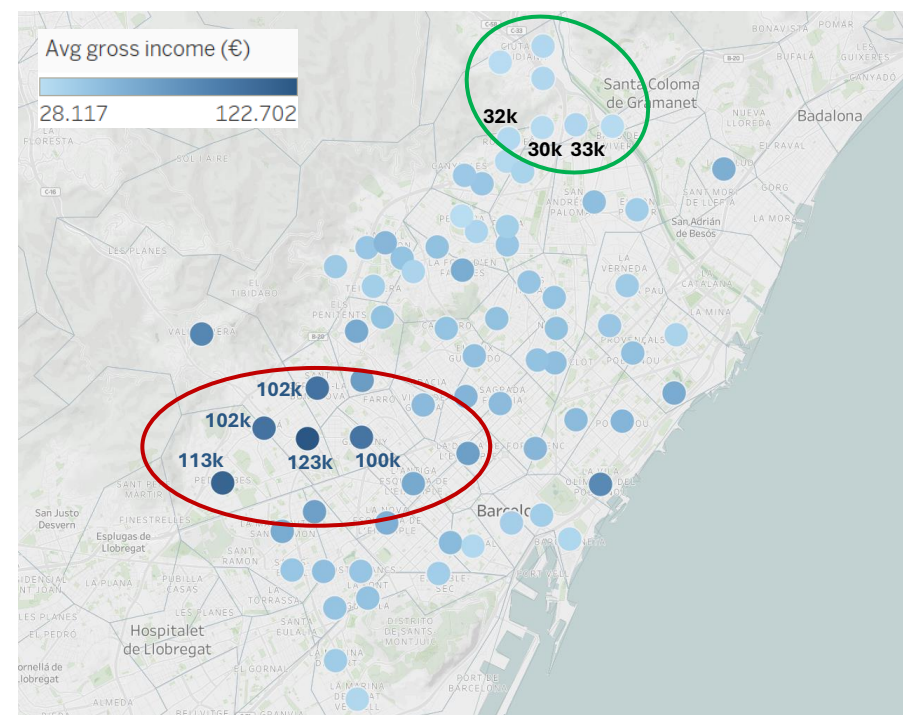
4

Get granular on location. Search relationships between factors and prices

Average selling price €000 (year 2021)

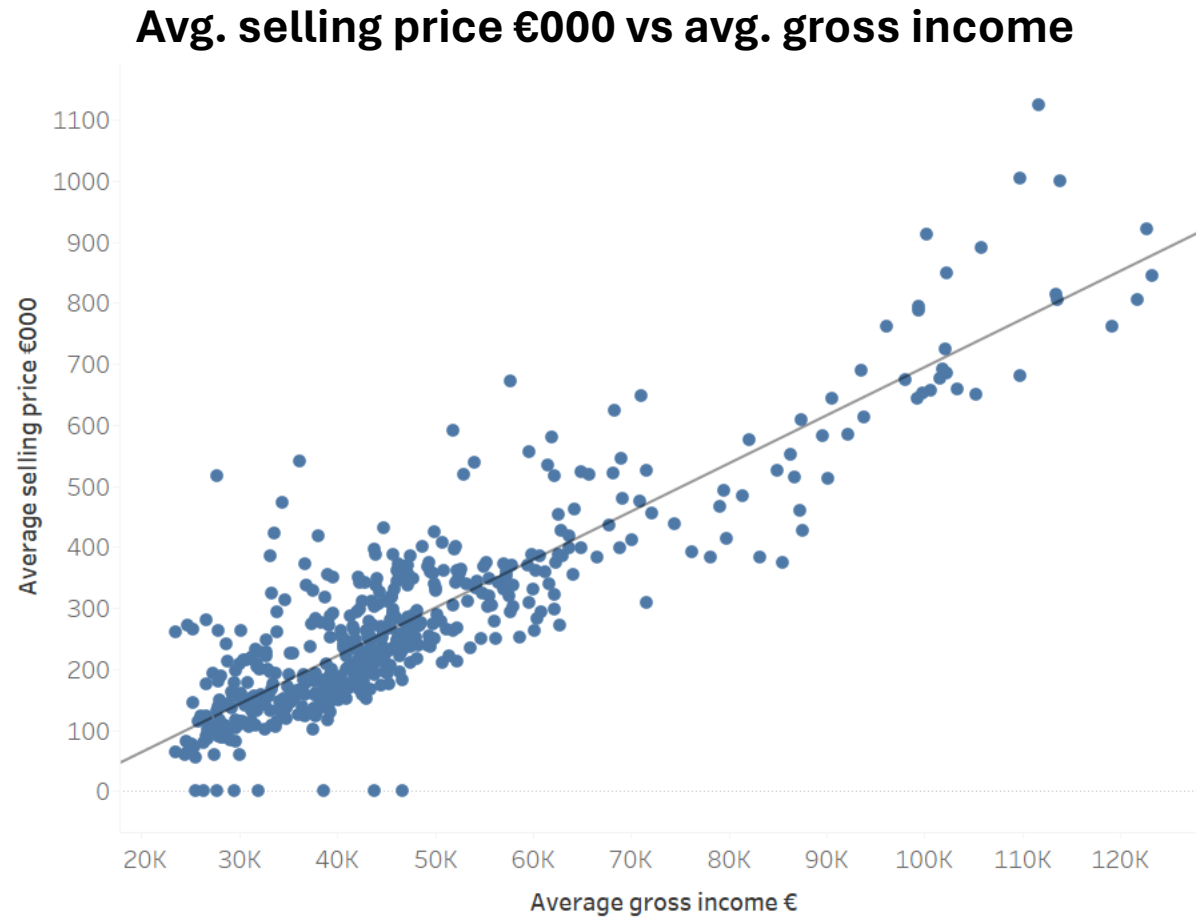


Average gross income € (year 2021)



The more avg. gross income, the higher the avg. selling price of homes (this could help you decide where to buy based on your budget)

4 Reflect on your learnings before deciding



This scatter plot chart, reinforces that there is a high positive correlation between avg. gross income and avg. selling price

5 Reflect on your learnings before deciding

- Are there any factors missing in your analysis?
 - Buying for investment (getting a return from renting?) collect rent prices
 - Buying for your own? Explore other locations factors (school, grocery shops, hospitals, sports, transport accessibility, ...)

Keep in mind that buying for your own is most of the times an emotional decision, while buying for investment is more a number decision...

Thank you