



Says

What have we heard them say?
What can we imagine them saying?



Thinks

What are their wants, needs, hopes, and dreams?
What other thoughts might influence their behavior?

The paper examines the long-run behavior of house prices by addressing the issue of price convergence or divergence across fifteen metropolitan cities in India.

Understanding trends in regional house prices and whether they converge to a single steady state or form clusters are important issues. These trends have been studied at length in respect to advanced and emerging market economies (EMEs)

Using available city-level quarterly data covering the period 2007-2011 and applying the Im, Pesaran and Shin (2003) panel unit root test, it is found that relative price levels among various metropolitan cities in India do not converge.

This implies that the Law of One Price does not hold in the Indian housing market, hence the different metropolitan house markets operate independent to one another

With a consistent aspiration for owning homes and stable interest rates, along with an increase in disposable incomes, the demand for housing is set to steadily expand, even in the face of global economic challenges.

Given the rising desire for larger living spaces, developers persist in launching upscale projects, resulting in an upward trend in housing prices for properties still under construction in cities like Kolkata, Hyderabad, Delhi NCR, and Bengaluru.



METROPOLITAN CITIES

The clear definition of the product is required to compare the products sold at different locations (Burger and Van Rensburg, 2008; Gupta and Das, 2008; Das et al., 2010)

Hence, the paper concentrates on the price of residential properties which has been taken from the National Housing Bank (NHB) in the form of index

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Unlike the South African house prices that have been captured for various categories of houses (Burger and Van Rensburg, 2008; Das et al., 2010), this study rely on simple house price index created only for the residential houses.

However, the trends are not understood well in the context of a major and populous EME such as India, which can offer vital policy insights for other countries. Using residential house price data for fifty cities, this study showed that house prices do not converge to a single steady state in India

Furthermore, as housing forms a core component of retail inflation, changes in house prices have a bearing on inflation in the economy. Hence, policymakers attach high importance to monitoring house price movements



Does

What behavior have we observed?
What can we imagine them doing?



Feels

What are their fears, frustrations, and anxieties?
What other feelings might influence their behavior?