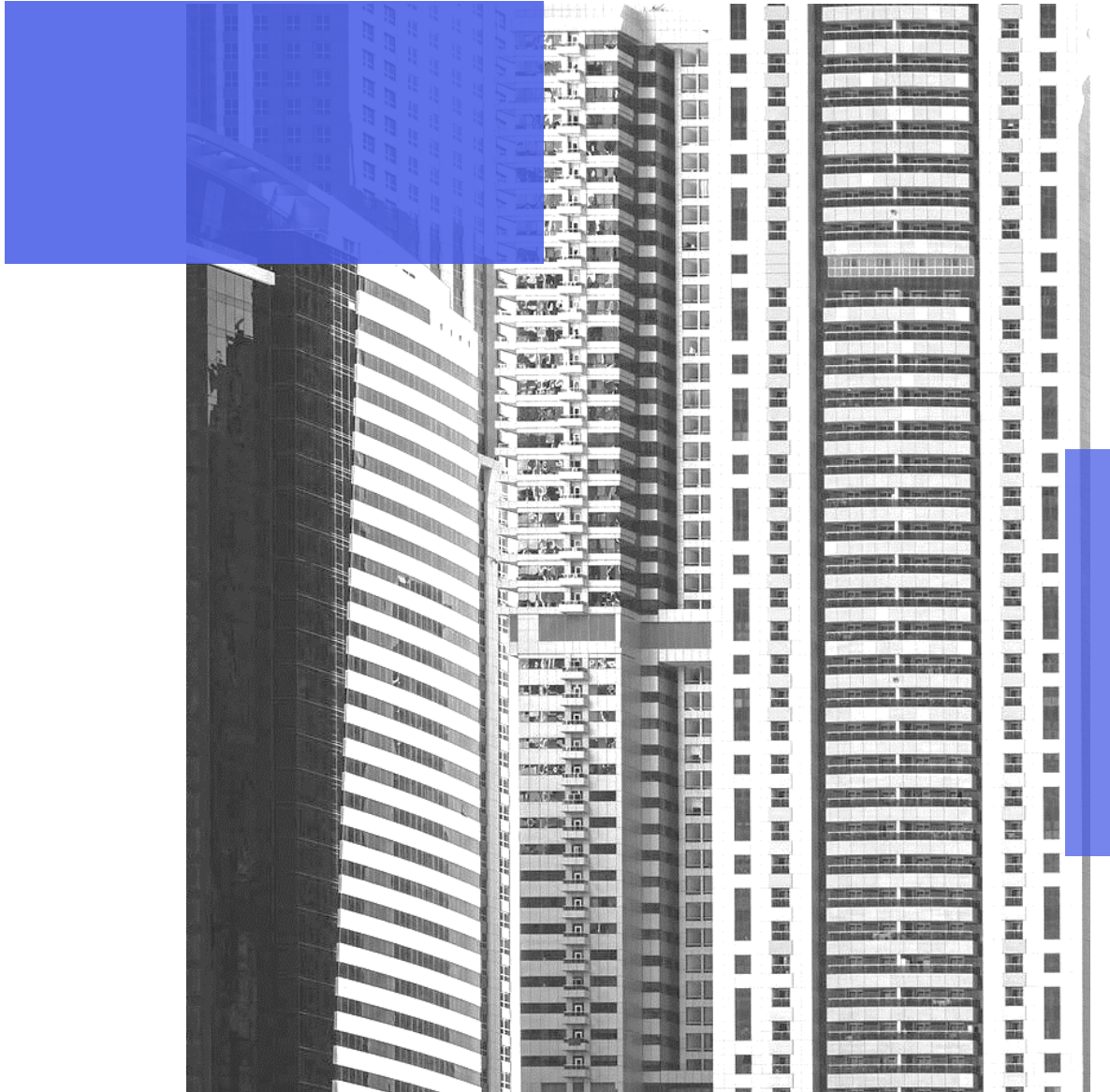


HOME PRICES IN U.S.

MECE FRAMEWORK





AGENDA

PROBLEM STATEMENT

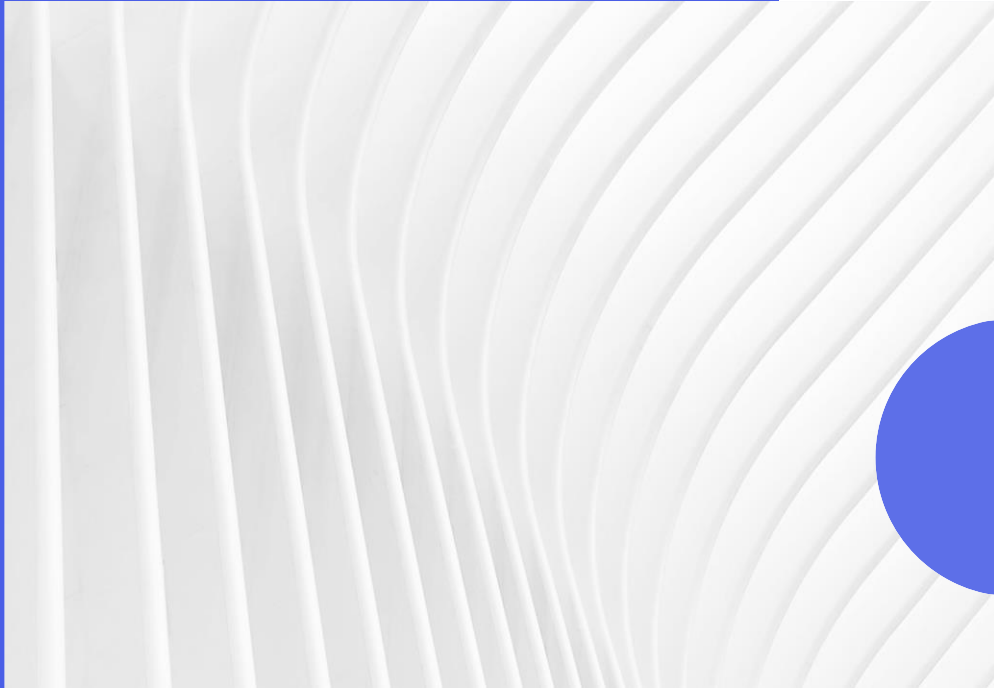
MECE FRAMEWORK

FACTORS AFFECTING REAL ESTATE

VISUALIZATIONS

SUMMARY

PROBLEM STATEMENT



We need to analyze all the factors that could influence residential home prices across the United States over the next decade. How these factors are going to create those effects and a MECE framework output to depict the same.



COMPONENTS TO CONSIDER DURING A CASE STUDY:

1. MARKET
2. COMPETITORS
3. CUSTOMERS
4. COMPANY
5. PRODUCT

QUARTERLY CHANGE IN HOUSE PRICES (INFLATION ADJUSTED)

	2022	2021	2020	2019
Q1	2.63	2.56	1.05	-0.51
Q2	NA	2.84	0.85	0.1
Q3	NA	3.23	2.49	4.31
Q4	NA	1.93	4.31	1.11

“ MECE PRINCIPLE (CONVERTING BUSINESS PROBLEM INTO A DATA PROBLEM) IS A POPULAR MANTRA AT MCKINSEY ”

- Did I cover all the issues?
- Are there no overlaps?



APPLYING MECE PRINCIPLE IN BELOW SITUATIONS:

1. Framing the problem
2. Collecting Data
3. Conducting Analyses
4. Communicating

5 WAYS TO BE MECE IN CASE INTERVIEWS:

ALGEBRA STRUCTURES	PROCESS STRUCTURES	CONCEPTUAL FRAMEWORKS	SEGMENTATIONS	OPPOSITE WORDS
Algebraic structures guarantee MECEness because a formula has to yield the target metric. It's how math works. You can check for MECE using simple high school-level dimensional analysis.	The great thing about processes is that they have a beginning, some steps in the middle and then an end. Breaking down any problem that has an underlying process into its steps is a sure way to be MECE.	Conceptual frameworks are the hardest type of structure to achieve a MECE result, but using them is essential to many cases. If the problem cannot be broken down as a formula or as a process, conceptual structures are pretty much the only way to go.	Segmentations are mostly overused as a way to structure a problem in part because they're easy to learn, in part because they're easy to teach. Most case interview resources out there show you how to be MECE using segmentations as examples. That's lazy.	Supply and Demand. Financial and Non-financial. Strategic issues and Operational issues. External and Internal factors. Short-term and Long-term. Make and Sell. There are dozens of pairs of words that mean the opposite.

FACTORS AFFECTING THE REAL ESTATE MARKET ARE:



ONE

Demographics (Age, Race, Gender, Income, Migration patterns)

TWO

Economy (GDP, Unemployment Rate, Manufacturing Growth, Prices of goods and services [INFLATION])

THREE

Interest Rates (Loans/Mortgages)

FOUR

Government policies or subsidies

FIVE

Unseen reasons

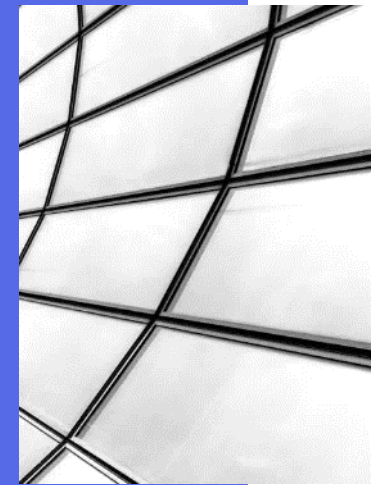
AREAS OF FOCUS

HOW TO DEAL WITH A GIVEN PROBLEM:

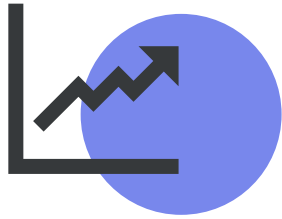
1. Root cause reason, Not symptoms
2. Find all root cause reasons
3. Find all root cause fast and efficiently (Hypothesis)

VISUALIZATIONS:

- Issue/Logic Tree (MECE)
- Decision Tree (MECE)
- Hypothesis Tree (MECE)

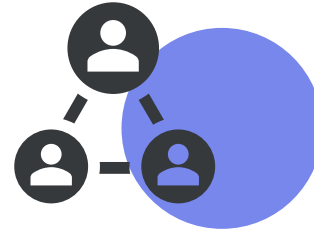


HOW WE GET THERE



RETURN ON INVESTMENT (ROI)

- The average 10-year return on real estate investment has been 10 percent.
- This is based on the reports published by several real estate research firms that compared returns from ten biggest cities in USA.
- However, the rates may vary if you look at particular cities.



NICHE MARKETS

- With thousands of different real estate opportunities, no one can be a jack of all trades—so finding your real estate niche is vital for a successful real estate career.
- Expert advice proves that an agent's real estate niche can align with their personal interests.

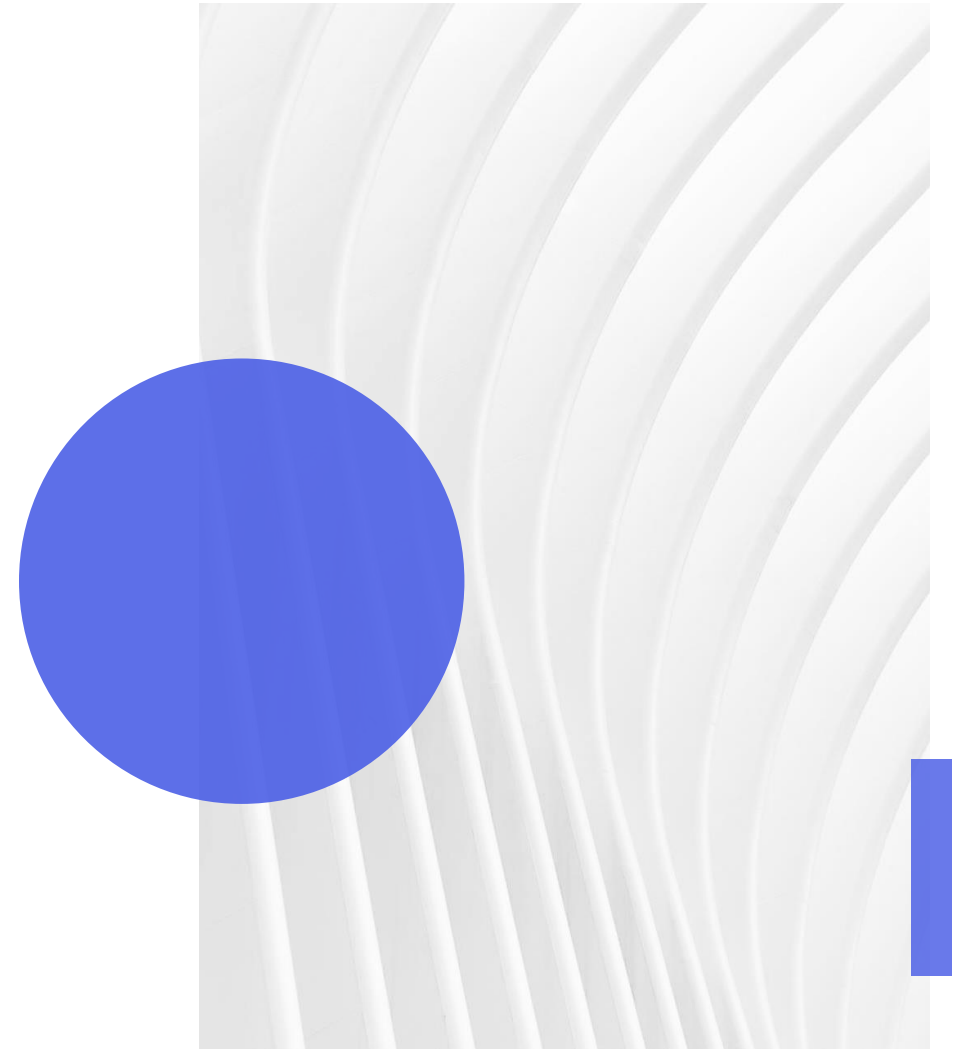


SUPPLY VS DEMAND

- Call it 'hot home-price summer,' as inflation, high housing demand and low supply continue to send costs skyward.
- Economists recently revised their forecast for median sales price appreciation on existing homes to 6.6% in 2022, up from their previous prediction of just 2.9%.

SUMMARY

This report provides a high-level overview of the economic researches related to the impact of the COVID-19 pandemic on real estate markets. Here we have majorly focused upon the residential property in the USA excluding the commercial property as well as the mortgage market. Nevertheless, the reviewed research shows that due to the heterogeneity of real estate and varying transmission channels from initial macroeconomic shocks, all real estate markets are affected in different ways by the outbreak of the corona virus.



THANK YOU

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