INFLUENCING FACTORS

for residential home prices in the U.S. over the next decade

Demographic

Population • Age • Generation • Race • Gender • Income • Migration pattern • Population growth

Location

Home size and space • Age and condition • Upgrades • Amenities • Infrastructure development • Land price

Economic

Interest rates • GDP • CPI • Unemployment rate • Cost of goods or raw materials • Government policies

Creating a MECE segmentation

DEMAND

Location

Any new infrastructure project or facilities will boost the prices up. Area of the land near such facilities will increase in demand.

Per-capita Income

Increase in per capita income will bring economic development and better standards of living, increase demand of such locations.

Population

Higher population/population growth will bring more people and more demand for housing, increasing home prices.

Interest Rate

Decrease in interest rate or low interest rates will give more buying power to people and thus increasing demand for better quality of living.

SUPPLY

GDP

GDP growth directly affects production and investments, helping them to rise.

Housing Cost

Cost of goods might become expensive due to various reasons leading to higher costs for building a house, thus raising rental prices.

Completed Areas

Available real estates in a certain location can provide information about the supply. If demand increases than supply, prices will rise.

CPI

Consumer Price Index (CPI) explains how much consumers are spending for goods and services. Gives an idea of volatility.