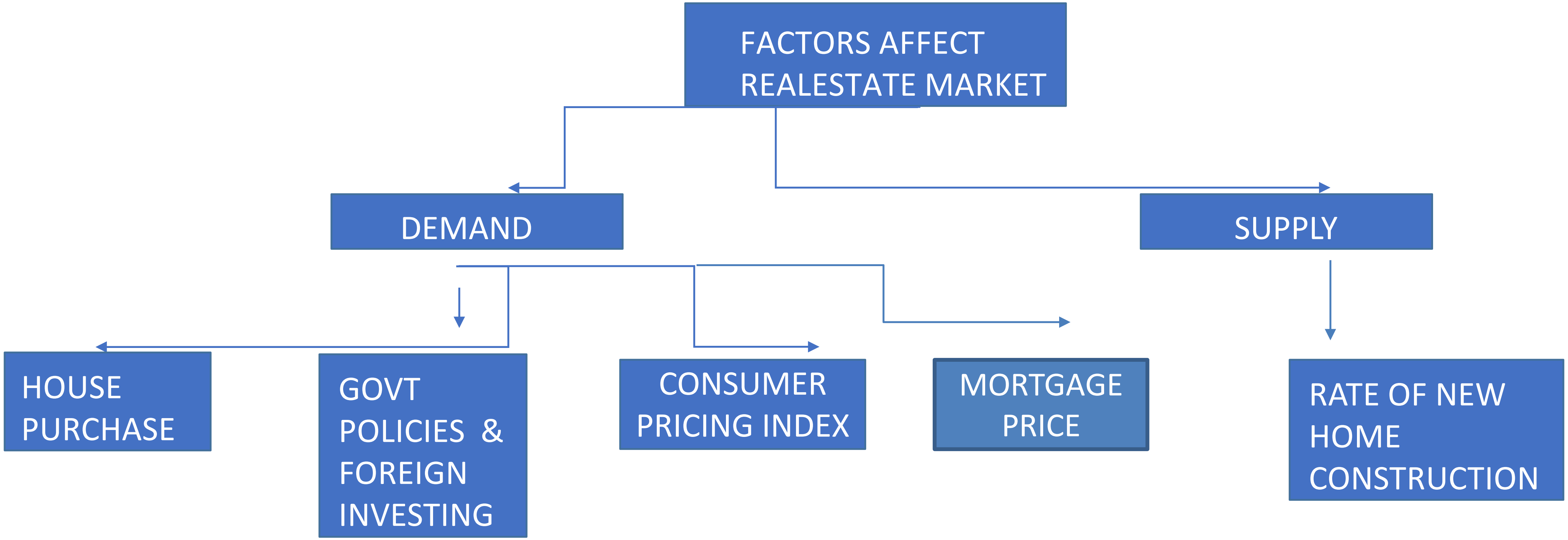
FACTORS AFFECT REALESTATE MARKET
DEMAND
SUPPLY
HOUSE PURCHASE
GOVT POLICIES & FOREIGN INVESTING
CONSUMER PRICING INDEX
MORTGAGE PRICE
RATE OF NEW HOME CONSTRUCTION

HOUSE OWNERSHIP RATES

House ownership rates are -is the proportion of occupied households which are occupied by the owners . It reached its peak in the year 2004 which is 69% but after 2005 it dropped to 64%. In the year 2020 again it rose up to 69 percentage

The number household The number of households increased by just 10.1 million from 2010 to 2020 . It can impact the demand for housing. A fundamental driver of household growth is population growth. The population may or may not affect the housing market, because multigeneration family has been increades in the past year

GOVT POLICIES

Federal, state, and local governments modify housing markets through a mixture of taxes, subsidies, and regulations. All these policies have direct and indirect affect in the housing market such as Tax credits, deductions and subsidies. These are some of the ways the government can temporarily boost demand for real estate for as long as they are in place. These policies may or may not be active after a party change

IMMIGRANT INVESTMENT

People from all from all over the world coming to America for personnel and work related . Before 1965 only 5% of American population were immigrant but after passing the immigrant and nationality act immigration rose up to 15% of American population .15% are settling in America they are buying the houses. These percentage will increase in the future

CONSUMER PRICING INDEX

Consumer pricing index(CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

In the year 2019 CPI was around 250 but in 3 year it rose up to 300 if the CPI keep on increasing the gasoline ,food ,raw materials because of the which the entire house price will increase

FEDERAL MORTGAGE

Before many banks were very keen to lend mortgages. They allowed people to borrow large income multiples . Also, banks required very low deposits . This ease of getting a mortgage meant that demand for housing increased as more people were now able to buy. Because of it there was a loan bubble in the USA market .so after that every application came under heavy scrutiny .they set heavy criteria to give a loan

Interest rate – in 2015 the federal reserve rates were 0.5% .now its 3.25% next year hike percentage would be 1%. Changes in interest rates can greatly influence a person's ability to purchase a residential property. That is because the lower interest rates go, the lower the cost to obtain a mortgage to buy a home will be, which creates a higher demand for real estate, which again pushes prices up.
It's also important to note that as interest rates rise, the cost to obtain a mortgage increases, thus lowering demand and prices of real estate.

SUPPLY

The market size of the U.S. construction sector was valued at around 1.6 trillion U.S. dollars in 2021 including residential, Non-residential and public. Residential alone In 2010 the construction spending in U.S was 200 billion . In the year 2021 spending was 517 billion .it rose up till now 593 billion in one year the percentage of increase is 14 % and it was expected to increase further in next year.
Now a days people wanted a compact house ,people wanted to use all the area, so they re moving towards the compact house(space saving houses) due to which we can build many houses in small its self .