-: Factor Influencing the US House Prices: -

- **Growth in the Economy: -** Housing demand depends on revenue. With higher economic growth and growing wages, people can spend more on housing, improving application and boosting prices. In reality, housing demand is often seen as elastic in terms of income, leading to an increase in revenues for households. In a recession, reduced sales will also stop people from buying, and people who are losing their jobs will fall behind their mortgage payments and end up in their homes repossessed.
- **Unemployment: -** The second important point that comes under the economic factors affecting housing market is related to economic growth. Very few people will have possible to afford a house as unemployment rises. But even fear of unemployment can stop people from entering the real estate market.
- **Interest Rates: -** Interest rates influence the monthly payment value for mortgages. A high-interest rate era would increase mortgage costs and reduce the demand for a house to be purchased. In contrast to renting, high-interest rates make rental attractive. Homeowners with high adjustable mortgage rates have a more significant effect.
- **Customer Trust: -** Confidence is an essential part when people are to take the risk of taking out a mortgage. Mainly house market expectations are significant. When people fear house prices will decrease, people will postpone purchasing.
- **Offering: -** A supply shortage drives prices up. Over-supply could lead to a fall in prices.

- **Home Sales Economy Mirror: -** Home sales are usually directly related to the stability of an economy and economic growth and decrease. When the economic growth slowdown, cash supplies get limited thoroughly. Because capital is difficult to buy, the housing market will be less available to home buyers. Housing inventories increase and take longer to sell, as stringent credit standards make fewer buyers available. A higher consumer supply combined with lower demand usually leads to lower prices.

- **GDP: -** GDP is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As the GDP increases the house prices in US also increase and As the GDP decrease the house prices also decrease.
- **Supply and Demand: -** The housing market is subject to the same economic laws of supply and demand as every other industry. When there are more buyers than sellers, the supply of houses goes down and the demand goes up, making houses harder to buy and more expensive. It's not just the

amount of houses available, but also how much money is available to buy them.

- **Advance: -** All property values are generated by predicting the potential benefits of the land. The value of land is now getting increased day by day. If you buy a home now, after many years you will have a good value to that home. The physical, political, economic and social changes all have an impact on the value of the land.
- **Compliance: -** Value is developed and maintained in similar situations. You don't want to build an office building across the street from your house because you live in a neighborhood that includes single-family homes. Your house's value would likely be affected negatively by this inconsistent land use.
- **Competition: -** Competition shows that the supply side is trying to meet the demand side on the real estate until demand is met. A developer may see the need in a specific location for a new office building.
- **Extinct: -** Real estate is affected by all that happens around it as it stays in a fixed location. The gas station on the street, school quality, factory closing in town, mortgage interest rates, etc. has an impact on the value of homes.
- **Surplus Productivity: -** The main difference between cost and sale price is excess productivity after the contractor assembles property, workforce, resources, and teamwork required to create and then sell the house. This term is used by economists to mean money.
- **Location: -** A house in the middle of nowhere may come cheap but also may not fetch you a profit if you ever need to sell later down the line. A home that's in a desirable area most likely will appreciate in value or at least retain its value well.

- Neighborhoods
- Highways
- Attractions
- Hospitals
- Schools

- **Property Taxes: -** Property taxes vary by location and are based on a variety of factors, such as local housing prices, the town's debts, and how much taxes local businesses contribute.
- **Crime Rate: -** crime rate is one of the factors which could influence the house prices in us. As no one would want to live in an area where it has large number of crime rate as a result the price of house in those area will be less where in people always prefer to live in an area where the crime rate is low and hence the house prices in those area will be high.

- **Government laws: -** There are a couple of notable ways government forces can impact home prices. First is through mortgage interest tax deductions. Currently, homeowners can deduct mortgage interest on loans less than $750,000. Tax breaks such as this one can incentivize more homebuyers, thus creating the potential of a rise in home prices. Another governmental influence is through tariffs. Housing materials like steel, aluminum, and lumber are sometimes imported from other countries. And imposing tariffs on these foreign supplies can increase the cost of building new homes — swaying housing prices as a whole.
- **Mortgage Availability: -** Most banks are keen to lend mortgages during the boom years. It enabled people to borrow large amounts of revenue (for example, five times the income). Additionally, minimal deposits that are 100% of mortgages are provided by banks.

- **Area Desirability: -** While housing prices tend to rise and fall on a national level, you may live in a micro-climate that defies the norm. Even when housing prices fall across the nation, prices in your neighborhood may rise. This occurs due to desirability. If you live in an excellent school district or trendy area where people want to be, the price of houses in your area will likely go up.

MECE FRAME WORK