

Factors Affecting Housing Prices: International Evidence

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Abstract

This paper investigates how changes in key macroeconomic variables influence the growth in house prices, using a panel data methodology for a sample of 24 countries. The main findings suggest that population; economic growth, stock returns and inflation are key factors for the increase in the housing price index. Moreover, as expected, construction cost is associated with the housing prices. In contrast, interest and unemployment rates adversely affect housing prices.

Keywords: Empirical Modeling; Property Prices; Housing Markets; Panel-Data Analysis

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