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The Norwegian Housing Market: The House Prices Analysis towards Financial and Economic Variables for Developing New Dwellings



Abstract

This study is about helping business development property managers to investigate and to analyze the Norwegian house prices on financial and economic variables. The research has focused on determining house prices whether they are influenced differently by financial and economic variables in 5 regions and 19 counties in Norway. The financial and economic variables are including income, net wealth, unemployment, GDP and interest rate. In this research, the quantitative research method is applied by implementing correlation research design which attempts to reveal the relationship between the financial and economic variables to house prices using multiple linear regressions proposes means to resolve the research questions. Viedekke Property Company further is chosen as a case study in this research. The company has presented higher unsold new dwellings than other property companies in Norway for some years. The result of the research can be potentially profitable in each area as long as Viedekke Company are careful about their pricing and rely on the model to help guide them in that respect. Understanding the house prices level may assist Veidekke Company to depict the type and size dwellings for housing market segments in that particular regions and counties. The result of study is expected to enhance implications for social changes. First, it assists home buyers to have affordable house prices. Secondly, it helps property companies to reduce high number of unsold new dwelling. Finally, it gives an input to the Norwegian banks and the Norwegian government to elaborate current housing market and houses prices in financial and economic point of view in more detail.