
Editorial: Introduction from the Editor – IJHMA Vol. 16 No. 5

Editorial

849

Welcome to the fifth issue in the sixteenth volume of the *International Journal of Housing Markets and Analysis*. These 10 research papers are diverse in research approaches and locational focus, which confirms the broad nature of housing research published in this journal retains, as well as through a rigorous blind review process to ensure a valuable contribution to knowledge. This journal publishes research which is timely and relevant to global researchers from different markets, both developed and developing. This remains a core strength for the authors and their outstanding research publications, which in turn benefits all housing research.

The first paper from *Uzbekistan* examined the value of houses as explained by individual locations. The study was based in Tashkent, being in a unique scenario since the city was completely rebuilt after a devastating earthquake in 1961. This then permitted a centrally planned approach where houses followed a common standard and style. The methodology used the hedonic pricing model with data relating to approximately 18,000 observations collected for the period between 2013 and 2016, when Uzbekistan was perceived as hesitant in economic reforms. The results suggest that locational characteristics are relatively more important than intrinsic characteristics. It was found that proximity to the city centre and access to subway stations significantly increased housing values; however, access to a park had no economically significant impact on housing values. These results supported the argument for an integrated approach for city planning.

The second paper investigated the two-way interaction between monetary policy and house prices in emerging economies. The methodology used panel structural vector autoregressive model. The approach examines inflation in emerging countries and conducts both panel setting and single-country analysis to explore two-way dynamic relationships between the monetary policy and housing markets. The results showed that real house prices decrease in response to a contractionary monetary policy shock. However, in contrast to advanced economies, it appears the reaction of prices is limited in emerging economies with reference to the structural differences including the relatively small size of the mortgage market and the absence of a well-functioning secondary market in housing finance. Although monetary policy is tightened in response to a positive shock to house prices, this response is also weak when compared to the similar response in advanced economies. These findings suggest that house price developments should not be a prior target for monetary policies in emerging economies unless they become problem for financial stability or inflationary concerns.

The third paper from *Vietnam* examined the effects of different lifestyle orientations on consumers' preference with three relevant lifestyles investigated including independence, family-orientation and homebody. Interior public space can be one of the most important criteria in designing high-rise residential buildings in urban environments; however, this study investigated the importance of this criterion from consumers' lifestyle perspective. The data for the analysis was collected from 331 owners of high-rise apartments from three residential buildings located in urban areas. The findings identified significant and positive effects of independence and lifestyle orientations on consumers' preference for interior public spaces. This study highlights the various impacts of different lifestyles on consumers' preference for housing features that need to be considered by developers and marketers when designing consumer position and marketing strategies.



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The fourth paper from *Botswana* analysed real estate cycles and their impact on property values in Gaborone, where property cycles are rarely assessed when purchasing property. Both primary and secondary data was examined including data covering a 16 year period. The findings discussed the four phases in the real estate cycles (recovery, expansion, oversupply and recession) and individual distinct features that an investor avoids in the property market. The results confirmed that real estate cycles did exist; where the cycle that Botswana experienced is referred to as the “kitchen cycle.” Overall it was demonstrated that Botswana experienced three cycles lasting five to six years each.

The fifth paper from *Pakistan* explored the impact of individual factors and determinants on housing prices at the country level as well as in Lahore, the most populous metropolitan city in Punjab-Pakistan. The data set includes monthly data from the period between 2013 and 2020, where the analysis used the Robust Least Square estimation technique to produce the stationarity results. The validity of results was supported by Canonical Cointegration Regression. The findings confirmed that variables significantly affect housing prices both at country level as well as in Lahore. The results identified the negative impacts of age, real exchange rate and urbanisation on housing prices, whereas the positive impacts were associated with gross domestic product growth, foreign remittances, broad money and also the level of real interest rate on housing prices. These findings provide insights into influences upon housing prices and better inform the government when addressing housing affordability challenges.

The sixth paper from *New Zealand* examined the effectiveness of affordability policies and whether their impact is relative to the size of the affordability crisis. The objective is to investigate the scale and nature of an affordability package that responds to three questions to determine (a) what the rate of annual growth of affordable housing be to solve the affordability crisis should be, (b) how long it would take to solve it and (c) what would be the cost of that policy package. The methodology used a modelling-based framework to simulate some of the levers that local and central governments use to affect housing prices and affordability including direct intervention on the supply-side and subsidies. The approach also simulated retention-and-targeting (RT) programs and subsidies to raise deposits via shared ownership (SO) schemes. The authors argued the disjointed operation of affordability policies is one of the reasons why their impacts, relative to the size of the affordability crisis, has been small or negligible. It was also demonstrated that affordability is both about raising households’ incomes and also decreasing housing prices. The findings showed the estimated period of the affordability crisis would take a decade to address if the supply of affordable housing increased annually by at least 45%. However, with the introduction of RT and SO programs, the challenge could be solved within a decade if the required growth rate decreased to 35%. If the growth rates were between 5% and 10%, then the policy goal will be achieved in approximately 40 years, and the SO program would be extremely expensive.

The seventh paper from *Lebanon* investigated the impact of local air pollution on the presence of central air conditioners in apartments. This provides the first insights into the impact of air pollution on the presence of central air conditioning in the Middle East and North Africa Regions. The methodology used a Probit model via a unique cross-sectional housing data set where the findings suggested that local pollution is a significant factor in household behaviour in Lebanon. The findings showed that local air pollution both positively and significantly affected the presence of central air conditioning in dwellings. The estimated increase in the probability of having central air conditioning for a one microgram per cubic metre increase in PM_{2.5} concentration is 6.4%. This model is based on

an equation that can predict the presence of central air conditioners in dwellings and will be useful for policymakers.

The eighth paper from *Portugal* analysed the existence of heuristics and cognitive biases described by behavioural finance in the investment decision-making process in the housing market. The methodology employed an exploratory factor analysis to assess the impact of heuristics and cognitive biases on investors' decision-making processes. This is followed by the adoption of a structural equation model to assess if the sociodemographic characteristics of housing market investors determine the identified heuristics and if the heuristics, in turn, condition the preferences of the investors in terms of investment criteria. It was found that herd behaviour and the heuristics of representativeness, availability/anchoring and overconfidence influenced the behaviour of housing market investors in their decision-making process. Investors with below-average income showed higher levels of overconfidence. Investors showing higher levels of overconfidence also tend to be more sensitive to the price of housing under analysis for investment. Women tend to show higher levels of the availability and anchoring heuristic. Housing market investors showing higher levels of availability and anchoring heuristic tended to be more sensitive to the price and location of the house under analysis for investment.

The ninth paper *Indonesia* analyses variables that affect the level of residential real estate demand for millennials based on hedonic demand functions. The significant determinant factor will be the orientation in the development of housing microfinance products. The methodology adopted for this study is robust regression using cross-section data from the Indonesian Family Survey Wave 5 with a sample of 1,672 millennial generation households who are married and male. The results showed that aspects of the characteristics of the millennial generation are significant for the variables of income, number of family dependents, education level and the presence of urban and rural millennial generations. However, the millennial generation's age variable does not significantly affect spending on residential real estate. All aspects of the spending behaviour of the millennial generation, which consisted of spending on food consumption, spending on education, spending on health, spending on telephone and internet, spending on transportation, spending on recreation as well as the variables of the existence of urban and rural millennial generations, significantly affected the millennial generation's spending on residential real estate.

The tenth paper from *Australia* developed a regression-based machine learning model to predict housing price as well as to identify and interpret factors that contributed to housing prices using different datasets. The methodology used an explainable machine learning approach for the housing analysis based on two datasets. Initially, regression analysis is used to investigate how well housing-independent variables contributed to the housing price prediction. Multinomial Logistic regression was adopted to investigate the identify the factor determinants of housing sales price. A comprehensive analysis of how different factors that contributed to the predictability of the housing price model was conducted using explainable SHapley Additive exPlanations (SHAP) values. The findings showed that the general living area, basement size and also the age of remodelling were the top three most important variables in determining house prices in the Ames dataset; however, properties with more rooms/bathrooms, larger land area and a close proximity to the central business district were more expensive. These identified factors can be used to estimate the optimal price range for a housing property for improved decision-making.

The contribution from these ten papers to improving our insights into housing markets has been confirmed. As always, I encourage authors with prospective papers to consider engaging with me as the editor prior to submission to ensure their paper is in an acceptable format for publication including the scope of their research. This includes ensuring the submitted paper conforms to the journal's stated author guidelines for the journal as listed on the website. Most importantly, this will reduce the time the paper spends in the review process. If you are interested in submitting a research paper or reviewing potential publications, then please contact the editor direct at ijhma@ijhma.com.

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