

Persuasive Essay Example

Essay on real estate recession in the United States

Will a Recession Affect Your House Sale?

Defining Real Estate and Its Economic Effects Real estate comprises many important aspects of economic activity. When combined together these notions have both direct and indirect impact upon the economy. Also, real estate sector has both direct and indirect effect on the level and composition of real Gross Domestic Product (GDP). The essence of the real estate sector can be defined in many ways. The country will concentrate its activities primarily on private construction activity as well as on flaws that might occur with the GDP accounts.

The definition is really hard to understand, since it encompasses construction activity that serves both the business and household sectors. A household's residence is the largest asset own by the country. That is the main reason why it is so important to understand the recent trends in the value of household real estate wealth.

The home-based "wealth effect" is known to have earned millions of home owners. As a result, thousands of dollars have been spent on managing the whole issue. Americans are likely to go well through recession process. However, the recession is projected to have a negative effect on the whole nation.

The latest surveys that have been carried by Washington, D.C.-based National Association of Realtors Home Wealth just proves the righteousness of the above mentioned statement. Effect Survey that has been released during the period of recent convention in Chicago mentions the following fact: the typical homeowner now has \$50,000 in home equity. About \$100,000 for households show the tendency to earn more than \$75,000. The situation is especially true for baby boomers, who are aged 50 or older. These people are known for still earning more money on the house – about \$80,000. The analysis of California and New England areas show the following: home-earned equity is still more than it was during the previous times—(it was about three, four times as much and higher).

The majority of the owners show the tendency to use equity to move up to a larger home or buy a second home. NAR report shows that the investments of the bank are predominately used to invest and to pay off debts. The expenditure amounts to the degree of consumer spending when the economy is being kept churning.

According to NA, the investments into home equity can protect Americans from the economic recession. But this protection is only partial. The buildup of home equity can protect Americans from the economic downturn. According to Dr. David Lereah,

NAR's, chief economist: "Homeowners use their home equity to get cash for emergencies as well as the purchase of big-ticket items." The recession proved to bring no profits. Under such circumstances, home owners "didn't have the added financial benefit of tax-free income."

The sale of the home is not the way out. The capital gains go to down payment funds for most repeat buyers. Still, according to Coldwell Banker, home ownership can be regarded as a "good financial insulator against a cool economy."

Let's analyze the other recessions. The OPEC oil embargo that had a place during October 1973, has lead to high unemployment and inflation. The process helped to boost inflation. The recession has been sustained during the years 1982 and 1983. It was the time of a widespread drop in stock market values. The problem was especially big during 1987. The case shows how real estate can protect people from the economic storms. November 1973 can be characterized by the drop in approximately 14 percent. This tendency has occurred during the previous month. By 1976, but new home sales nearly doubled as to compare with the previous season.

...

This is just an sample.

If you need a great essay, thesis, outline, etc., use the writing service [EssayMap.org](https://www.essaymap.org)

Click on on the button below, fill out a simple form indicating the due date, the type of essay that you need, and pay for the order. All our papers will be written from scratch by professional writers, and are also checked for plagiarism. So, you can relax and not to worry about your paper, because we will do it all for you.

**Get help with your
Essay in one click!**

Get Help