

Analytical Housing Market Downturn in Developing and Developed Countries

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Abstract: Attitudes towards development construction activities to prevent recession in the construction sector in developing countries such as Iran, feature protectionism and encourage emerging industries, the most important feature in developing countries, is considered. Foreign trade development with the aim of development activities to avoid recession in two buildings in the world has followed the original goal. Attitude on the one hand, economic benefits for the country, on the other hand, provide general requirements and complement the other aspects of foreign cultural and diplomatic procedures. Iran, like other developing countries, form development activities that expanded construction activities to prevent recession in building industry, can use an international exchange in this scenario, which is often at a preferential price. Development activities in developing countries are always embedded in all long-term development strategy and have been one of the major economic components. This paper analyzes the housing downturn for developing countries and develops the outline.

Key words: Housing • Development • Construction • Market • Recession

INTRODUCTION

In the 1950s and 1960s, in order to generate greater emphasis on industrial goods for the domestic market and for export, with for example, South Korea has made the effort in less than 30 years of extreme poverty and would have their relatively high economic growth reached a peak. During the years 1959- 1962 country's GDP averaged 7.9 % annually and exports were 40 % of the average, had grown. Industry growth from 1962 to 1984 averaged 16 %. South Korean government in the 60's with abundant and cheap labor (comparative advantage) was able to increase production to use the user industries. In addition, later attempts (70s) done to develop heavy industry [1-4].

Issues Affecting Housing Crisis: In order to accelerate the growth of the economy and housing crisis, officials and experts should especially look to this country's rise. In this area, due to the nature of technical and economic areas and housing on the one hand with its social and political consequences of people on the other hand, no plan and sectional methods and not accountable to any housing need a comprehensive plan and strategy oriented than ever before. All-inclusive social and economic crises rooted in the communities are strategic issues. Issues like

population, water and energy. Growing housing crisis in our country unfortunately influenced by the major strategic issues for the general population as a specific issue. What short-term programs and long-term crossing the past two decades indicates that representative proven methods based on a comprehensive vision based on all factors, may not have a lasting effect. Methods based on politics and bank crises do not always meet their operating levels so that inflation affects the housing market. On the other hand, to remove the base value of land according to the following two major factors to respond this crisis will pass [2-9].

Based on the strategic planning one should first check factors affecting the housing sector and identify each function to review and redefine the quality and efficiency and the expected overall cost associated with them, identify the value gaps and to eliminate the steps. There are many Challenges and problems in continuing to use of traditional materials that are including cases where housing is a concern that all those involved in the field agree upon. There are wide ranges of issues but the technical and structural challenges to financial issues and even social issues are extensive. However, until recently, the price was not dramatically increased (for lack of these materials were not seriously felt), but special attention was not paid to this situation [2-3].

The first shakedown occurred because of a massive earthquake (earthquakes Changoureh and Avoij in Qazvin Province of Iran, June 2002) and the second plan to remove the base value of land and housing policies made by government incentives and consequently increased the demand for materials that each will be assessed separately. World prices of nonrenewable energy and the impact on the incidence and economic adversity in the world policy on one hand and the damaging effects of the energy industry and consumer sectors in global warming and climate change on the other hand. These have caused the people of the world to express serious concerns on environmental issues and issues related to reducing energy consumption have been show an extraordinary sensitivity. Household energy consumption are the most important energy centers in the world, which is why experts focus on optimizing the energy consumption and waste reduction in this area. Always, water in human history is one of the strategic factors and the importance of learning in life always has been growing. Increasing population and limited sources of fresh water pollution sources, global warming increases water-related industries need to increase agricultural production and many of these cases make efficient use of water resources in all matters and should be given paramount importance [4,7].

Housing Recession of the Developed Countries:

Average house prices between 1997 and 2007 in many countries have increased by two or even three times. UK house prices increased by 210 % and 190, 168 and 104 in Spain, Australia and in America increased, respectively. Germany is one of the few developed countries in the world economy in the past 10 years, which did not experience this global boom. In 2007, housing prices in all German cities were stable for the preceding 10 years. In the past 30 years to buy, the housing in the finance systems in industrialized countries has been changing. In the past, local lenders helped to buy housing and public companies that provide housing facilities began buying heavily under the regulation and supervision of the surveillance systems in force. Mortgage financing by international capital flows was not performed. Today and towards tomorrow, integration of financial systems of purchasing housing capital markets despite their different forms has become a global phenomenon. Liberalization and integration of housing finance took a hold on the international financial markets around the world [2, 7].

In General, the Overall Pattern Can Be Expressed in 4 Steps to Avoid the Housing Slump: They Can Be Classified as Follows:

- The financial system through deposit institutions, reversible or depository system (via the money market).
- Based institutions issuing mortgage bonds (mortgage banks).
- Up into securities - loans.
- Buy homes from international agencies; local banks to buy houses and real estate funds.

In fact, the economic boom in Britain and America and other Western countries in recent years experienced the same prosperity that Germany had experienced in 1990. In the past 10 years, Germany was faced with periods of economic rise and fall. In 2001, the German economy stagnated and unemployment in the country's recession hit hard. The stock market bubble burst in 2000 and the German economy was severely damaged. Frankfurt market crisis was caused by the crash but also suffered heavily by the stock market crash but it did not cause investors to cash in their investment property market. True peace in the housing market in Germany believes the German activists in the market, in the coming years, will continue. Dramatic results of economic developments in early 1990 occurred after the reunification of East and West German government. To understand why the German housing market remained unchanged over the past decade one should return to early 1990. In June 1991, eight months after the German reunification law to restore the former East German economy had developed into effect. The law has very good tax incentives for investors suggesting that they observe the housing market. Everyone in former East Germany or Berlin who builds a house (or rebuilds one) from all the investment costs of income tax, the other expenses are deductible for up to 10 years. Many wealthy West Germans have used this unique opportunity and their investment property market took over East Germany. Even some politicians also began to buy and build houses to convert floors of apartments in a large way in this area. German property market so early in the Act and the 1990 semi-boom was severely hit. Between 1990 and 1998, the year that the tax incentives were completely closed off, Property prices with the aim of lease purchase were increased to 70 %, but this policy has caused the supply

of highly overtaken demand and is why during the last ten years we have witnessed certain stability in the area of housing in Germany [4,7,8].

Over 80 % of fixed assets are owned by the German real estate sector. The housing finance system in Germany, by buying of commercial banks and placing deposits and mortgage bonds, by directly designing and developing the capital market, has been tough going and there are restrictions to ensure the loans are intended to berate the risk Bank interest is limited. Both in the systems of Britain and Germany, it is remarkable that the rate of housing ownership in Britain is 68 % and in Germany is 40 %, however. The third model is simply turned off by the securities backed by mortgage securities, which are cumulative. Subsequently, Korea and Australia are to follow.

German covered bond system between the investor and the risks of borrowers is not evenly distributed. Long-term mortgage loans in Germany were less risky than MBS market rates for American investors which were imposed. Borrowers effectively were penalized because of early repayment of their mortgage loans being prohibited [5,7-9].

Mortgage loans in Germany by the coating bonds, which are financing tools and mechanisms, used to ensure all as much as possible and thus have low credit risk. Action against borrowers with prepayment penalties as are encountered that may wish to have re-financing, or even to sell their homes. But instead it makes sure that their payments over a fixed time period would be long term.

Annual growth rates in the mortgage market, Europe Union countries between 1992 and 2002 average is 8.2 % (Table 1).

A brief look at the diversity of financial instruments suggests that housing markets in Iran are still very poor and are largely traditional and the state banks and by this

time exclusively run by the Housing Bank, to be funded and equipped. Low loan amount and term loans granted limited ceiling for the purchase or construction of housing, especially during the past three decades has been granted a loan facility with the price of residential units or the proportion of construction costs and is not compatible. Equipping and financing the major share of their housing by housing applicants from other sources such as household savings, sale of other assets and loans and facilities to get even more titles. Naturally, between household income and payment facilities provided by various sources as well as fitness and coordination and a lot of pressure that will be imposed on households. In such circumstances, offering various solutions, suitable and useful for supplying and financing requirements and appropriate economic conditions of the country's social and cultural rights is essential and that the minimum action necessary in this field are provision of study tools, institutions and the housing finance system, in order to set a standard for the world. Optimizing financing methods under data tables - with output above plan, can be an excellent address for the housing crisis for a small country [9-11].

CONCLUSION

All-inclusive social and economic crises rooted in the communities are strategic issues, such as population, water and energy. There is a growing housing crisis in our country, unfortunately influenced by the major strategic issues for the general population as a specific issue. Whatever short and long-term programs were crossing the past two decades indicate that represent proven methods based on a comprehensive vision based on all factors cannot ever unaffected the results in bank crisis and not only meet their operating levels that inflation had on the housing market. On the other hand, to remove the base value of the land according to two major factors and increasing the volume of land and increasing demand for excellence of traditional materials to respond to this crisis, which will pass. Accordingly, the value of strategic planning is paramount. First of all the factors affecting the housing sector must be perused to identify each function to review and redefine the quality and efficiency and overall cost expected of them and to identify gaps in its value and for its removal further steps must be taken [11-16].

Table 1: Annual growth rates in the mortgage market among Europe Union countries between 1992- 2002.

Country	Annual Growth Rates (%)
Portugal	22.5
Spain	17
France	4
Greece	23.5
Ireland	18
Germany	6

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