

Eddison Walters Housing Market Globalization Theory: Building On, Eddison Walters Real Estate Housing Technology Structural Change Transformational Theory

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Abstract: *Today's housing affordability crisis has been caused by failure to acknowledge technological advancements that globalized housing markets that were once local. Policymakers, banking regulators, and the academic community slept at the wheel. On the heels of the Dot.com bubble, policymakers eagerly stepped in to avoid another economic crisis, accepting the false theory of a real estate housing bubble. Policymakers never considered that the growth in home prices could be real. Two decades after the declaration of a housing bubble, home prices continue to increase rapidly today. Evidence is clear the housing bubble never existed. The growth in home prices was real. Despite all the evidence suggesting real estate housing bubbles never existed. Policymakers have struggled to address today's housing affordability crisis because of the failure to change course on ineffective policies implemented to address a real estate housing bubble that never existed. Lower interest rates will not solve the housing crisis we face today. The experts who concluded housing bubbles existed were wrong. The idea that lower interest rates will decrease housing costs suggests policymakers do not understand the problem. The failure to understand the structural transformation of the housing market means policymakers worldwide are still at a loss for solutions to address today's housing affordability crisis (Walters, 2024). The increased housing costs from the technological-structural transformation of the housing market between 1995 and 1999 resulted in globalized markets (Walters, 2024). The globalization of housing markets caused a significant shift in the demand curve of the global housing market that policymakers failed to address because policymakers accepted the misinformation of real estate bubbles as suggested by Eddison Walters Risk Expectation Theory of The Global Financial Crisis of 2007 and 2008 in Walters (2018). Walters and Djockic (2019) and Walters (2019) presented evidence supporting the theory developed by Walters (2018). The current research presents Eddison Walters Housing Market Globalization Theory that builds on Eddison Walters Real Estate Housing Technology Structural Change Transformational Theory.*

Keywords: Eddison Walters Housing Market Globalization Theory, Eddison Walters Risk Expectation Theory, Walters Real Estate Bubble Impossibility Price Transparency Theory, Eddison Walters Modern Economic Analysis Theory, Eddison Walters Real Estate Housing Technology Structural Change Transformational Theory, Housing Market Policy Failure, Housing Market Structural Transformation, Global Housing Affordability Crisis

INTRODUCTION

Today's housing affordability crisis has been caused by failure to acknowledge technological advancements that globalized housing markets that were once local. Policymakers, banking regulators, and the academic community slept at the wheel. On the heels of the Dot.com bubble, policymakers eagerly stepped in to avoid another economic crisis, accepting the false theory of a real estate housing bubble. Policymakers never considered that the growth in home prices could be real. Two decades after the declaration of a housing bubble, home prices continue to increase rapidly today. Evidence is clear the housing bubble never existed. The growth in home prices was real. Despite all the evidence suggesting real estate housing bubbles never existed. Policymakers have struggled to address today's housing affordability crisis because of the failure to change course on ineffective policies implemented to address a real estate housing bubble that never existed.

Lower interest rates will not solve the housing crisis we face today. The experts who concluded housing bubbles existed were wrong. The idea that lower interest rates will decrease housing costs suggests policymakers do not understand the problem. The failure to understand the structural transformation of the housing market means policymakers worldwide are still at a loss for solutions to address today's housing affordability crisis (Walters, 2024). The increased housing costs from the technological-structural transformation of the housing market between 1995 and 1999 resulted in globalized markets (Walters, 2024). The globalization of housing markets caused a significant shift in the demand curve of the global housing market that policymakers failed to address because policymakers accepted the misinformation of real estate bubbles as suggested by Eddison Walters Risk Expectation Theory of The Global Financial Crisis of 2007 and 2008 in Walters (2018). Walters and Djockic (2019) and Walters (2019) presented evidence supporting the theory developed by Walters (2018). The current research presents Eddison Walters Housing Market Globalization Theory that builds on Eddison Walters Real Estate Housing Technology Structural Change Transformational Theory.

Background of Study

Housing market policy failure has resulted in runaway housing costs which have placed hardship on many working families and have put homeownership out of reach, significantly increasing the risk of homelessness as policymakers struggle to find a solution. A significant obstacle to finding

a solution to the problem is a lack of understanding of the true nature of the problem. The widespread acceptance of a real estate bubble has been a significant obstacle to understanding the problem that caused chronic home inventory shortages leading to the housing affordability crisis today. Eddison Walters Housing Market Globalization Theory was developed to provide policymakers with insights into the true nature of the problem to assist with effective policies to address the housing affordability crisis today.

Statement of The Problem

Decades of housing market policy failure have led to a housing crisis for working families. Policymakers eager to intervene in the housing market incorrectly accepted the theory of a real estate housing bubble focusing on policies to address a real estate housing bubble that never existed. The lack of understanding of the problem has resulted in housing market policy failure for decades. As policymakers seek to address today's housing affordability crisis, understanding the true nature of the problem is critical. Eddison Walters Housing Market Globalization Theory was developed to highlight the true nature of the problem in the housing market today, so policymakers can focus on solving the problem that has led to runaway home prices and put homeownership out of the reach of millions of hard-working families.

Purpose of Study

The purpose of the study was to introduce Eddison Walters Housing Market Globalization Theory is to highlight the true nature of the problem that has created the housing affordability crisis for working families today.

Research Question

Does the evidence support the need for Eddison Walters Housing Market Globalization Theory to underscore the structural transformation and globalization of housing markets resulting from technological advancement?

Hypothesis

Ho: The evidence suggested Eddison Walters Housing Market Globalization Theory is not a theory that will create greater awareness of the globalization of housing markets resulting from technological advancement-driven structural change.

Ha: The evidence suggested Eddison Walters Housing Market Globalization Theory is a theory that will create greater awareness of the globalization of housing markets resulting from technological advancement-driven structural change.

Nature of Study and Scope

The study was a qualitative research that was focused on highlighting the need for the development of Eddison Walters Housing Globalization Theory.

Limitation

The study was limited to data analysis from existing peer-reviewed research publications. No new data was analyzed.

LITERATURE REVIEW

Eddison Walters Globalized Housing Market Theory was developed based on the evidence presented in several peer-reviewed research publications. The research developed in Walters 2018 was the seminal work that introduced Eddison Walters Risk Expectation Theory of The Global Financial Crisis of 2007 and 2008 as an alternative explanation for the cause of the Global Finance Crisis of 2007 and 2008. The study investigated contradicting statements by former Federal Reserve Board Chairmen, Alan Greenspan and Ben Bernanke about real estate bubbles. Both, Alan Greenspan's and Ben Bernanke's 2005 assessments, the occurrence of a real estate bubble developing was impossible due to the Efficient Market Hypothesis, (Belke & Wiedmann, 2005; Starr,2012). Both later reversed their 2005 assessment. Alan Greenspan's later assertion was, that an abundance of capital flowing into developed countries gave rise to a financial bubble which in turn caused a real estate bubble was determined to be inaccurate by Walters (2018). The evidence in Walters (2018) suggested, that there was very little likelihood of a financial bubble prompting the researcher to present the alternative theory as an explanation for the cause of the Global Financial Crisis (Walters, 2018).

Walters and Djockic (2019) and Walters (2019) confirmed Eddison Walters Risk Expectation Theory of the Global Financial Crisis of 2007 and 2008. Data analysis by Walters and Djockic (2019) suggested no statistically significant difference between the growth in home prices before and after the Global Financial Crisis suggesting there was no real estate housing bubble. Walters (2019) examined factors that may have caused the rapid increase in home prices. The data analysis in Walters (2019) resulted in, 0.989 Adjusted R-square, 194.041 Mean Dependent Variable, 5.908 Square Error of Regression, 488.726 Sum-of- Square Residual, and 0.00000 Probability (F-statistic), for correlation between the independent variable representing advancement in technology, and the dependent variable representing home purchase price in the United States preceding the Global Financial Crisis of 2007 and 2008. The evidence presented in Walters (2019) suggested, 99% of the increase in home prices was attributed to technological advancement.

Statements suggested policymakers never grasp an understanding of the transformation of the economy as once local housing markets become globalized housing markets as a result of advancement in technology. The term and meaning of asset bubble which populism arose from the dot.com bubble that was defined as an inflation of the price of an asset relative to its fundamental value (Valadez, 2011) because a term adopted by economists and established to describing the state of the housing market as a housing bubble, but a search of the literature found no evidence from reliable data analysis that supported housing bubble ever existed. Kauai (2011) explained

how technological advances allowed information richness which is the sharing of a large amount of information and information reach which is the sharing of information with a significant amount of people that led to a globalized economy. The effects of technological advancement were the same for the housing market.

Walters (2024) described three decades of housing policy failure. Policymakers had little understanding and never considered that technological advancements had transformed markets that were once local markets, into globalized markets such as the housing market as demonstrated by Alan Greenspan's testimony before the Congressional Committee On Oversight and Government Reform on October 23, 2008. Greenspan testified, "a marked retrenchment of consumer spending, as households try to divert an increasing part of their incomes to replenish depleted assets, not only in 401(k)'s, but in the value of their homes as well" (<https://www.govinfo.gov>, 2008). In addition to Walters (2019) Eddison Walters Risk Expectation Theory of the Global Financial Crisis of 2007 and 2008 was also supported by evidence in Walters (2020A) that concluded the growth in consumer debt preceding the Global Financial Crisis resulted from technological advances. Eddison Walters Modern Economic Analysis Theory was established by Walters (2020B) noted, that the result of findings from data analysis over extended periods without considering technological advancement as a factor will result in unreliable data analysis therefore it is critical to understand the impact of technological advancement on the data.

Walters Real Estate Bubble Impossibility Price Transparency Theory explained that widespread real estate bubbles in developed countries were impossible due to real estate price transparency. The theory was grounded in the Efficient Market Hypothesis (Walters, 2020C). The study conducted a correlation analysis of data between the growth in home prices and cellphone subscription saturation which represented technological advancement for several years preceding the Global Financial Crisis. The results of the data analysis showed there was statistical significance between the two variables in all sixteen developed countries. The researchers concluded there was no likelihood of widespread real estate housing bubbles in sixteen different isolated real estate markets in developed countries worldwide all caused by technological advances (Walters, 2020C). Technological advancement fully explained the cause of the rapid increase in home prices, therefore the idea of real estate bubbles causing the Global Financial Crisis was proven false confirming Walters Real Estate Bubble Impossibility Price Transparency Theory (Walters, 2020C).

The research by Walters (2024) explained that technological advancement increased demand resulting in housing market policy failure causing a chronic shortage of home inventory. The study outlined the structural transformation of the housing market from print media real estate listings, in-person mortgage loan applications, and manual human mortgage underwriting in 1995 to online real estate listings, online mortgage loan applications, and automated mortgage underwriting by 1999. The evidence suggested the housing market policy failure stemmed from policymakers who

falsely accepted the theory of a housing bubble that falsely blamed subprime mortgage lenders for the rapid increase in home prices without demand evidence from data analysis and an investigation of other factors that could have caused the rapid growth in housing (Walters, 2022). Once the housing bubble theory was accepted, policymakers failed to audit the results of the policies implemented meant to rein in the subprime mortgage industry and address the existence of a real estate bubble that never existed Walters 2022; Walters 2024). Evidence presented by Walters (2022) which was later confirmed by Walters (2024) suggested subprime mortgage lenders were not the cause of the real estate crash that preceded the Global Financial Crisis and misinformation resulted in the demise of the subprime prime mortgage industry leading to a chronic shortage of home inventory that caused runaway home prices, and the housing unaffordable crisis that exists today.

Analysis

Research Questions Answer

The evidence supported the need for Eddison Walters Housing Market Globalization Theory to underscore the structural transformation and globalization of housing markets resulting from technological advancement.

Hypothesis Result

The research failed to reject Ha.

Ha: The evidence suggested Eddison Walters Housing Market Globalization Theory is a theory that will create greater awareness of the globalization of housing markets resulting from technological advancement-driven structural change.

CONCLUSION

The current study demonstrated the need for Eddison Walters Housing Market Globalization Theory which was developed to highlight the structural change of the housing market resulting from technological advancement. Housing markets that were local markets before 1995 were structurally transformed into globalized housing markets by 1999. The globalization of housing markets that were once local led to significantly increased home prices that were falsely concluded to be a real estate housing bubble by policymakers. Before the technological transformation of the housing market, real estate listings were advertised by signs in the yard of the home for sale and in local print media publications. Potential homebuyers had to be physically present for a showing. Online real estate listings meant anyone with an internet connection who was interested in a specific housing market had an opportunity to view homes listed for sale in the market online from remote locations. The globalization of housing brought buyers from everywhere into what was once local markets.

Policymakers, economists, and the mainstream media eagerly adopted the false real estate bubble theory, falsely blaming the subprime mortgage industry for the rapid increase in home prices without exploiting other factors that could have led to a different conclusion. Technological advancement globalized housing markets that was once local housing markets while policymakers, banking regulators and the entire academic community were sleeping at the wheel. On the heels of the Dot.com bubble, arrogance and the eagerness of policymakers seeking to intervene in what was falsely taught to be a housing market crisis proved to be a critical housing market policy failure. The lack of understanding of the globalization of the housing market significantly increases housing demand by structurally transforming the market causing the housing market policy failure has existed for decades. The eagerness to intervene in the housing market was a critical error by policymakers that derailed the housing market in the early stages of a housing boom due to globalization.

There are severe consequences for hardworking Americans and hardworking people in other developed countries around the world stemming from the housing market policy failure that didn't understand technological advancement structurally changed the housing market caused by globalized housing markets that significantly increased demand. The tragic story of millions of hardworking working families losing their homes was just the beginning of the story. The families who listed the homes also lost generational wealth from the equity that would have existed in the homes today. Many families who lost their homes as a result of the housing market policy failure, find themselves in danger of homelessness instead of reaping the benefits of generational wealth from record the record increase in home values today. Policymakers must acknowledge the housing market policy failure that has existed for decades if there is any hope to address the housing affordability crisis today. The idea that lowering interest rates and the cost of fuel prices will solve the problem is a false narrative. The entire supply chain to increase home inventory to the level need meet the needs of globalized housing markets must be developed because, without the supply chain infrastructure, there is no hope of finding a solution to today's housing affordability crisis that has placed many hardworking families at risk of homelessness and put the American Dream of homeownership out of reach for the majority of average income earning families.

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