



## US home prices may slump due to Trump's policies

Romesh Navaratnarajah

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US President Donald Trump's crackdown on undocumented immigrants could severely impact the country's housing market, reported *Bloomberg*.

On Tuesday (21 February), the new administration announced that they intend to deport many more foreigners without legal proceedings.

Previously, the Obama administration focused on expelling those convicted of violent crimes, while allowing "dreamers" to stay. The latter consists of undocumented immigrants who came into the country as young children, but now have a promising future in the country.

However, Trump plans to blacklist more individuals, including those who have committed fraud and, in certain cases, those deemed to pose a threat to public safety.

As a result, many foreigners have changed their minds on buying a US home, including those with green cards and work visas under the H1-B programme for skilled manpower.

In Washington, a Brazilian non-profit executive let go of the chance to purchase a fixer-upper. In San Francisco, an Indian software engineer on a work permit no longer offered a bid on a US\$900,000 (S\$1.27 million) home. In Mesa, Arizona, the son of undocumented Mexican immigrants received the approval for his housing loan, but now fears getting deported.

"I feel like with one stroke of Trump's signature, everything can be taken away, even all my hard work," said Juan Rodriguez, a 24-year-old working college student who arrived in the US when he was seven.

"If Trump gets the immigration plan he wants, the housing market will get hit harder than any other," noted Alex Nowrasteh, an analyst at the Cato Institute. If "millions of people get deported and more people don't come in to take their place, then you'll have downward pressure on home prices, especially in urban areas".

Among the residential markets most at risk from the immigrant crackdown are Miami, Los Angeles, Silicon Valley, San Francisco and New York.

Furthermore, Alterra Home Loans, a lender that focuses on mortgages for immigrants, believes that the impact wouldn't be small, with the 40 million immigrants in the US estimated to account for US\$3.7 trillion (S\$5.23 trillion) in total housing wealth.

