

ABSTRACT

The calculation of the household consumption has several sub-sectors in it, one of which is the housing sub-sector. The growth of housing sub-sector consumption can be affected by an increase in house prices. The growth of three components, namely house prices, housing sub-sector consumption, and non-housing household consumption during the research periode raises a problem. There is uncertaintu of whether houses are viewed as assets or as normal goods by households. In 2011-2013, households viewed houses as assets while in 2014-2019, households viewed houses as normal goods. The reasearch method used is VECM (Vector Error Correction Model) analysis. This research uses time series data with research period within 2010 Q1-2022 Q3. The results show that in the long run, GDP and house price have a negative and significant effect on non-housing household consumption. The stock price variable have a negative and not significant effect on non-hosuing household consumption, while the total deposit variable have a positive and significant effect on non-housing household consumption. Therefore, the policy implication is to continue policies in housing sector and also evaluate the credit or mortgage system so that it is not burdensome for households.

Keywords: household consumption, house price, non-housing consumption, life-cycle hypothesis

