Figure S1. structure diagram

Objective

To establish the role of housing sentiment in rea estate price regulation and stabilization through short-term policy

Hypotheses

Hypothesis 1: Short-term real estate regulation policies will improve positive housing sentiment

Hypothesis 2: Under the short-term real estate regulation policy, real estate prices and housing sentiment will change with a same synchronization.

Innovation

Novelty 1: Examing the relationship between short-term regulation policy and investors sentiment

Novelty 2: State-spatial model and Kalman filter analysis are employed to assess market investor sentiment index

Novelty 3: Verifying the relationship between investor sentiment and housing price under short-term regulation policy

Results

Finding 1: Tightening short-term control policy improves sentiments of real estate customers

Finding 2: State-spatial model has a higher accuracy to regress sentiment index compared to principal component analysis

Finding 3: Regardless of the short-term controlling policy, positive sentiment increases housing price

Conclusion

Housing sentiment has caused the failure of short-term policy regulation on real estate price