

## **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*