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COMMUNITIES

As for new homes and real estate development, based on the research, 2020 is starting off with a roar, as it relates to real estate.

- Sales of new homes will rise to a 13-year high in 2020.
- New home sales probably will jump 11% to 750,000, which would be the highest reading since 2007.
- We'll see an increase in inventory, but not an oversupply, so home prices should continue to move higher.
- The median price for a new home probably will be $313,500, down 4% from 2019, but that could stem from a shift toward smaller houses as builders try to meet demand from first-time buyers.
- The average U.S. rate for a 30-year fixed mortgage will stay around 3.7% through the second quarter of 2020. In 2020's final two quarters, it likely will rise to 3.8%.
- Homebuilding – or "fixed residential investment" in economic language – contributed 0.18% to GDP in 2019's third quarter, according to the Department of Commerce. It was the first positive reading in six quarters.
  -Lawrence Yun, chief economist of the National Association of Realtors
- Millennials will get aggressive about buying homes. Younger buyers have their sights set on 1,800 square-foot homes in the suburbs, with good neighborhoods and decent schools. Millennials will take more mortgages than baby boomers and Gen-x'ers in 2020. With the oldest members approaching 40 and the biggest cohort turning 30 in 2020, The Millennials surpass 50% of all home purchase mortgages.
  -Realtor.com
- Expect Bidding Wars. Low mortgage rates will continue to strengthen home buying demand, but due to a lack of new homes for sale and homeowners staying put longer, there will be fewer homes on the market in 2020 than in the past five years. More demand and less supply mean bidding wars will rebound in the first quarter.
  -Redfin

Builders, looking for market studies to determine the viability of your development in 2020 and beyond: Contact Tom Skahen, New Homes CEO at Tom@StreamlineCommunities.com