Experts Predict Next Real Estate Recession Will Begin in 2020

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The United States will likely enter the next recession in 2020, according to real estate experts.

The quarterly report, sponsored by Zillow, surveyed more than 100 real estate experts and economists about their predictions for the housing market. This included when the next recession would begin along with the cause.

This report was conducted nationwide over the course of a few months. The results found that overall, nearly half of all the experts surveyed expect the next recession to begin sometime in 2020. Most of these professionals believe that this real estate recession will begin in Q1. Monetary policy was selected as the most likely cause. Dispite this, many experts predict a modest real estate market through 2019 which can be found at https://www.pressadvantage.com/story/23838-new-economic-forecast-predicts-modest-real-estate-market-through-2019.

While the current economic expansion has been the second longest in American history, it will be the longest

ever recorded if the panelists' predictions hold true. The previous real estate recession was caused by the housing market collapse. This drove the Great Recession, but only nine of the experts think that the housing market will be the cause of the next economic downturn.

The center of these discussed factors where the Federal Reserve's decisions about U.S. monetary policy. According to the surveyed expert it will be the main factors for the next real estate recession. GDP is growing steadily, unemployment is near historic lows, and the economy is doing well all around. This has prompted the Federal Reserve to raise short-term interest rates four times since the start of 2018, with two more rate hikes expected in 2019. Raising rates too quickly could push the economy toward slower growth, leading toward a recession.

"As we approach the longest economic expansion this country?s history, significantly higher interest rates should eventually slow the pace of raising home values that we have seen over the past few years," said Dependable Homebuyers owner Evan Roberts. "Housing affordability is an important issue in nearly every market across the United States. While there are many unknowns about the precise trajectory of the U.S. economy in the years ahead, another housing market crisis is unlikely to be a central driver in the next economic downturn."

Participants in this survey identified geopolitical crisis as the most likely cause of the next economic recession. Those concerns have fallen below policy-related fears like trade policy, unexpectedly high inflation rate, a correction in the stock market.

"Restricted home supply, persistent demand, low unemployment, and consistent economic growth have given a boost to the near-term outlook for U.S. home prices," said Roberts. "These conditions are overshadowing concerns that mortgage rate increases expected this year might quash the appetite of prospective home buyers."

To find out more about real estate market conditions follow Dependable Homebuyers at https://activerain.com/blogs/dependablehomebuyers.
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For more information about Dependable Homebuyers, contact the company here:Dependable HomebuyersDependable Homebuyers(443) 219-8331info@dependablehomebuyers.com7089 Copperwood Way, Columbia, MD 21046

Dependable Homebuyers

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Website: https://www.dependablehomebuyers.com

Email: info@dependablehomebuyers.com

Phone: (443) 219-8331