

Economists and Real Estate Experts Advocate Increase in New Home Construction in Ocean City

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A steady increase in the inventory of houses for sale is crucial for the stability and growth of the real estate sector in Ocean City. Economists and real estate experts gathered at the 2018 Realtors Legislative Meetings & Trade Expo stressed on the importance of new home construction in the city and how that alone can change the sector in the near to medium term. Speaking on the Outlook for Home Prices and Residential Construction, all panelists agreed that the house prices have been increasing due to a shortage of inventory and this can have a ripple effect on the growth of the real estate sector in Ocean City and across the state of Maryland.

Evan Roberts, the owner of Dependable Homebuyers, allayed the fear of many that there is no bubble right now but if the situation worsens then the industry could encounter a serious slowdown, possibly negative growth as well. There is already a plethora of signs that the country is headed towards a recession. It may become evident towards the end of 2019 or the first quarter of 2020. If a recession was to hit, the real estate industry will be unable to endure the aftereffects as it is not in a condition to deal with such a fallout. Home

prices will go haywire and there may be an even greater shortfall of new houses for sale. New home construction will take a backseat during the impending recession.

First time homebuyers are unable to reason with the increasing prices. The home price to income ratio in most markets across the country are not conducive to first time buyers. The figures do not paint as grim a picture as they did a decade ago preceding the financial crisis. However, further increases in home prices can worsen the situation. The household debt to income ratio is also not alarming right now but it must be reduced further to trigger positive development in the real estate sector in Ocean City. Interested homeowners can read a recent press release they published at https://drive.google.com/a/dependablehomebuyers.com/file/d/1KT4TO9YaBlPVsaTxs7bL5a3URR3Kg5c6/preview.

Roberts further explained that the stand taken by banks in regards to leveraging their books is appreciable. The periodic hikes in interest rates by the fed have made borrowing costlier, especially for young people who do not have huge savings to increase the down payment. The limited inventory of houses will not lead to any review of prices and hence the costs will not undergo any reduction unless there is a focus on new home construction.

Roberts also warned of a bubble if corrective steps are not taken right now. The fact that there is no major bad loans problem or that banks are not under stress due to over leveraging does not imply the market is not headed towards a bubble. New home construction coupled with correction of prices can solve the current problem. He also says that timely intervention and the right initiatives can even mitigate the potential adverse effects to be caused by the impending recession, whenever it hits the economy. For more details, contact Dependable Homebuyers directly.

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Dependable Homebuyers Ocean City NJ

Dependable Homebuyers is a local home buying company in Nashville. We buy houses in any condition and any situation. If you want to sell your house fast, give us a call at (609) 281-8989 and we?ll provide you a cash offer within 24 hours.

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